THE STATE OF MONTANA
FFY 1996
CONSOLIDATED PLAN

Final Report

As approved by U.S. Dept. Of Housing
and Urban Development, March 14, 1996

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I. INTRODUCTION

The Montana Department of Commerce is pleased to provide the Updated Consolidated Plan for Fiscal Year 1996. This plan is designed to meet the requirements set forth by the Department of Housing and Urban Development (HUD) and various housing and community development acts passed by the U.S. Congress. This document will be used by federal agencies to make appropriation decisions regarding resources made available to Montana for addressing issues related to affordable housing, homelessness, and community development needs.

The plan consolidates the planning, application, reporting, and citizen participation components of three formula programs that receive annual funding from HUD. Individual program applications, documentation and certifications for the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and the Emergency Shelter Grant (ESG) formula programs that are applicable to Montana are addressed. These programs will be implemented and operated for the uniform time period beginning April 1 and ending March 31 of each year.

The update process promotes a unifying opportunity for units of local government, the State, and others, to continue developing cohesive, attractive, safe, and economically vibrant communities. The updating process encouraged all citizens, especially low-income residents, to take a part in shaping their own future.

In 1995, Montana elected to issue the Consolidated Plan for Fiscal Years 1995-1999 as a two volume set. Volume I pertained to the five-year strategy, identifying issues and needs to be addressed over the next several years. Volume II presented the annual plan. The Consolidated Plan for FY 96 has been created to combine the two volumes into a condensed, informative record. Specific data relating to *Inventory of Facilities* and *Resources Available* have been provided in appendix format to ease location of specific facility as well as distributing the entire list. This document may be used to facilitate individuals, communities, and organizations in meeting the three basic goals of the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and the Emergency Shelter Grant (ESG) programs. These goals are to: secure decent housing, provide a suitable living environment and expand economic opportunities.

Providing decent housing may involve assisting homeless people to obtain appropriate housing, retaining the affordable housing stock, increasing the availability of permanent affordable housing for low-income households without discrimination, and increasing supportive housing to assist persons with special needs. Providing a suitable living environment means improving the safety and livability of neighborhoods, including the provision of adequate public facilities; strengthening housing opportunities and revitalizing neighborhoods; restoring and preserving natural and physical features with historic, architectural, and aesthetic value; and conserving energy resources. To expand economic opportunities, the comprehensive approach emphasizes

creation of accessible jobs, providing access to credit for community development, and assisting low-income persons to achieve self-sufficiency in federally assisted and public housing.

The Consolidated Plan for FY 96 will provide details to citizens, public agencies, and other interested parties on the amount of assistance Montana expects to receive, range of activities that may be undertaken, and the general program activities that may be planned in addressing the priority needs outlined in the plan. The plan also presents details on analysis and evaluation of priority needs statewide, as well as presenting policies related to the provision of affordable housing and community development. The plan also offers certifications stating that statutory guidelines have been followed, such as efforts to minimize the displacement of people and to assist persons who have been displaced.

A. DEVELOPMENT PROCESS FOR UPDATING THE CONSOLIDATED PLAN

Updating the strategy for housing and community development in Montana continued throughout the past fiscal year, spanning a variety of settings. Through this process, the State has attempted to enhance the prospects for delivering such assistance to the people of Montana, and to improve the formation of policies and programs that support the availability and delivery of affordable housing, facilities and services for the homeless, and other non-housing community development needs, such as infrastructure and economic development. The development process consists of several distinct steps. These include:

1. Interagency cooperation and coordination;
2. Consultation with concerned citizens and organizations;
3. Advisory and policy formation functions;
4. Public awareness of the citizen involvement process; and
5. Delivery of program services.

1. INTERAGENCY COOPERATION AND COORDINATION

In November of 1994, the State Housing Task Force recommended centralization of housing programs within state government to increase coordination and to assist in the development of a cohesive state housing policy to guide the operation of all housing programs in Montana. The Department of Commerce formed a Housing Division within the Department, which includes the Board of Housing and its programs, the Section 8 program and the Home Investment Partnerships program (HOME).

MDOC continues to have other institutional concerns, such as the integration and coordination of its programs with other means to provide community assistance. Many banks, savings and loans, and other financial organizations involved in housing are interested in taking advantage of federally assisted housing improvement programs in order to meet the requirements of the Federal Community Reinvestment Act. (CRA). The Census and Economic Information Center, within MDOC, has been responding to many requests throughout the year for information

pertinent to the CRA program, and for planning information to aid in the development of housing proposals. The CEIC provides information to financial institutions regarding applicable credit that is geocoded to census tracts or block numbering areas upon request. Some financial institutions have implemented programs in response to the CRA, through cooperation of MDOC.

MDOC also has been communicating and coordinating activities with other agencies through the entire year. This assists in the identification of areas in which further communication and cooperation may be needed and helps to identify gaps in the institutional provision of services. Activities have included application workshops for HOME and CDBG funding, information and data dissemination regarding the CRA, advice to nonprofit agencies and prospective nonprofit entities on how to become certified as a Community Housing Development Organization (CHDO), and support for other entities in their application processes for funding programs not administered by MDOC.

Staff personnel associated with the programs continue to actively participate with community and state organizations that are committed to improving the decent housing, suitable living environments and economic opportunities for Montanans in need. Some of these organizations include W_2ASACT, the Mental Health Council, Habitat for Humanity and Lead Base Paint Committee.

2. CONSULTATION WITH CONCERNED CITIZENS AND ORGANIZATIONS

As part of the development of updating the plan, a specific set of actions was taken to analyze statewide opinions from a broad base of concerned citizens and organizations. The objective was to provide an opportunity and encourage input prior to development of the update. Information and assistance received from local government, public agencies, member organizations and citizens through Montana are incorporated into this document.

In addition to assessing past surveys, several other agencies, entities, and parties were contacted and invited to provide input. Organizations and individuals were contacted and encouraged to provide valid statistics and information to aid in the update process. Following is a list of those contacted:

Montana HRDC Director's Association
Montana Alliance for the Mentally Ill
Mental Health Division (Department of Corrections and Human Services)
Mental Health Planning & Advisory Council
National Association of Housing and Redevelopment Officials
Water, Wastewater, Solid Waste, Action Coordination Team (W_2ASACT)
Montana Rural Development Council
Montana Society of Engineers
Consulting Engineers Council
Montana Economic Development Corporation
Rural Economic & Community Development Services
Economic Development Administration

Montana Low Income Coalition
Council for Concerned Citizens
Montana League of Cities and Towns
Montana Association of Counties
Montana Building Industry Association
Indian Affairs
Loud Thunder International, Inc.
Governor's Office on Aging
Montana Banker's Association
Housing & Assistive Technical Coordinator
Montana Lead Program

HOME and CDBG staff met with numerous citizens throughout the year on a one-to-one basis and at application workshops and presented information on the Consolidated Plan. Staff also presented information regarding the plan at conferences and conventions throughout the year. A Public Input Meeting was held on October 10 to provide public comment and input prior to the draft Update. In addition, numerous meetings were held by the Steering committee throughout the updating process. The results of all contacts that occurred throughout the year, and the information received, have been included in this draft document.

3. ADVISORY AND POLICY FORMATION FUNCTIONS

Throughout the year, MDOC has interacted with other agencies and organizations with commitment to facilitate the development of refined housing strategies. MDOC has maintained its commitment to informing others of their responsibility to participate in the CPS process and to enhancing the ability of others to promote housing in local communities. In previous years, MDOC sought and received broad-based support for a "team" approach to addressing housing needs and founded the CPS Steering Committee. Continued use of a committee provided direction and input for the draft update to the CPS.

MDOC continues to be instrumental in advising existing and potential nonprofit entities on ways to form Community Housing Development Organizations that subsequently can be certified by MDOC. Only local units of government (cities, towns, and counties) and CHDOs are eligible to apply for HOME grant funds, under the HUD-approved program description. An MDOC-certified CHDO can apply for set-aside funds under the HOME program. MDOC has certified 20 nonprofit organizations as CHDOs. These organizations are:

Action for Eastern Montana, Glendive;
District IV Human Resources Development Council, Havre;
District VI Human Resources Development Council, Lewistown;
District VII Human Resources Development Council, Billings;
District IX Human Resources Development Council, Bozeman;
District XI Human Resources Development Council, Missoula;
District XII Human Resources Development Council, Butte;
Montana People's Action, Billings;
Montana People's Action, Missoula;
Neighborhood Housing Services, Inc., Great Falls;

Northwest Montana Human Resources, Inc., Kalispell;
Opportunities, Inc., Great Falls;
Ravalli Services Corp., Hamilton;
Missoula YWCA, Missoula;
Women's Opportunity and Resource Development (WORD), Missoula;
Rocky Mountain Development Council, Helena;
Habitat for Humanities for Southwest Montana;
Supporters of Abuse Free Environment (S.A.F.E.) Inc, Hamilton;
Building Self Worth, Inc., Butte;
Garden City CHDO, Missoula

4. PUBLIC AWARENESS OF THE CITIZEN INVOLVEMENT PROCESS

In the process of Updating the Consolidated Plan, numerous individuals, organizations and groups were contacted and visited to encourage input. A Public Input Meeting was held October 10 in Bozeman. Aggressively advertising the public input meeting resulted in greater attendance than last years meeting in connection with the planning process. Several phone calls and letters were received in response to the requests for input as well as recorded information from the public meeting.

Three public comment meetings are scheduled in December, 1995 at the following locations.

December 5	9:00 AM-12:00 Noon	Public Library 2 First Avenue East	Polson
December 7	9:00 AM-12:00 Noon	Yogo Inn 211 East Main	Lewistown
December 12	9:00 AM-12:00 Noon	City Hall 247 North 9th Avenue	Forsyth

5. DELIVERY OF PROGRAM SERVICES

MDOC completed another application cycle for the HOME program in FY 95. The program expands the supply of decent, affordable housing for low- and very low-income families; builds state and local capacity to design and carry out affordable housing programs; provides financial and technical assistance to participating jurisdictions, including model program development; and strengthens partnerships among all levels of government and the private sector in the development of affordable housing. The design, development, and implementation of the enhanced program spanned many months and included citizen involvement throughout many areas of the state.

In April 1995, all FY 94 HOME program funds were committed to 10 firm project contracts. Nineteen applicants submitted proposals for FY 95 funds in September 1995. The process of application, ranking and committing HOME funds to firm projects during the fall and

winter months provides for better alignment with the construction season. HOME application workshops were held in Glasgow, Miles City, Bozeman and Kalispell in June 1995.

Another HUD funded program is the Montana CDBG program, a competitive grant program designed to help communities of less than 50,000 people with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low- and moderate-income persons. The basic categories for local community development projects are housing, public facilities, and economic development. Housing projects may involve rehabilitation of homes owned or rented by low- or moderate-income families, as well as activities that improve the neighborhood in which the housing rehabilitation and/or new construction are taking place. CDBG funds play a key role in leveraging -- using government dollars to encourage investment of private dollars.

The Emergency Shelter Grant program continues to provide HUD funds to improve the quality of existing emergency shelters for the homeless, meet the costs of operating shelters and provide essential social services to help prevent homelessness. Ninety percent of the funds received are allocated to the 10 regional Human Resource Development councils (HRDCs) in Montana. While the funds available to the ESG program are not as large as those allocated to Montana's HOME and CDBG programs, the regional organizations are extremely dependent on the assistance received from the yearly allocation.

Specific guidelines that relate to the individual programs for CDBG, and HOME may be obtained by contacting the Department of Commerce . The Department of Public Health and Human Services may be contacted to obtain guidelines for the ESG program.

B. QUANTITATIVE ANALYSIS IN SUPPORT OF THE PLAN

Development of the FY 96 Consolidated Plan included a thorough analysis of quantitative data in the form of surveys, employment and income data, census data, forecast data, and past applications for program funding. In addition an Economic Benefits Analysis of State Housing and Public Facilities Programs has been prepared as well as updated economic and demographic information. A selective inventory of local public facility needs in the State has also been conducted and is included in this document.

II. CONSOLIDATED PLAN PROGRAMS

A. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Montana administers nonentitlement Community Development Block Grant (CDBG) funds through the Community Development Bureau of MDOC. The CDBG program was established by the Federal Housing and Community Development Act of 1974 and has been administered by the state since 1982. The state makes grants only to units of general local government that carry out community development activities. Montana's Community Development Block Grant Program is a federally funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low- and moderate-income persons.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities for persons of low and moderate income. Seventy percent of the funds must be used for activities that benefit low- and moderate-income persons.

The basic categories for local community development projects are housing, public facilities, and economic development. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new, affordable housing (when sponsored by a nonprofit organization); provision of public facilities and improvements such as water, sewer, or solid waste facilities or senior citizen centers; and assistance to for-profit businesses to promote economic development activities that will result in the creation or retention of jobs.

METHOD OF DISTRIBUTION

NOTE: As this document is going to press, no major changes in the Montana CDBG program are proposed at this time.

GRANT CEILINGS

The total amount of CDBG funds requested by an applicant (or joint applicants) must not exceed the following ceilings:

Type of Grant	Ceiling
Housing and Neighborhood Revitalization	$400,000
Public Facilities	$400,000
Economic Development	$500,000

Applicants should apply only for the level of funding necessary to carry out the project. Grant requests must be sufficient either by themselves or in combination with other proposed funding sources to complete the proposed activities within 24 months from the date of the announcement of grant award by the Department. There are no minimum amounts required for CDBG requests.

APPLICATION DEADLINES

Deadline	Type of Grant
Public Facilities	June 4, 1996
Housing and Neighborhood Revitalization	October 1, 1996

Applications must be delivered or postmarked on or before the deadline date.
Applications for economic development assistance can be made at any time.

DISTRIBUTION OF FUNDS

1. Funds Available for the Montana CDBG Program

It is estimated that Montana's FY 1996 CDBG allocation will be $8,714,000, the same amount received in FY 1995.

The distribution of funds for Montana's CDBG Program for federal fiscal year 1996 would be as follows:

Estimated Total Fiscal Year 1996 State CDBG Allocation	$8,714,000
Less CDBG funds for State program administration and technical assistance to applicants and to grantees*	361,420
Amount Available for Award to Local Governments	$8,352,580
Less 1/3 Allocation for Economic Development Projects	2,784,193
Total Available for Housing and Public Facility Projects	5,568,387
-less 1/3 Allocation for Housing and Neighborhood Revitalization	$1,856,129
-Subtotal Available for Public Facilities Projects	3,712,258

* Extensive federal regulations accompany the program. DOC will use a small portion of the State CDBG allocation for administration of the program, as established by a statutory formula. The funds will be used to supplement State

resources to meet federal regulatory requirements and to support related technical assistance to applicants and grantees and project monitoring activities throughout the terms of the local projects.

Of these funds, one percent of the annual allocation, or $87,140, is specifically designated by statute to provide technical assistance to local governments and non-profit program applicants and recipients.

Technical assistance will be made available to local governments in the form of competitive grants on a local match basis. These grants may be used by counties and municipalities to prepare plans or studies related to CDBG eligible housing and public facilities projects and submittal of a CDBG application.

ECONOMIC DEVELOPMENT RANKING CRITERIA

For-profit businesses applying to the CDBG program under the sponsorship of a local government must meet certain thresholds to be considered for funding. These are listed in the CDBG ED Program's Application Guidelines. In addition, the community and business must demonstrate the following:

1. A quantifiable funding gap exists;
2. Management capacity;
3. Realistic historical and projected financial earnings;
4. Adequate security;
5. A sound, well-reasoned proposal;
6. Firm commitment of funds from private or public sector lenders;
7. Readiness to proceed; and
8. The project will support itself over time.

PUBLIC FACILITIES RANKING CRITERIA

Public facility applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points:

1. Project Planning and Selection	75 Points
2. Need for Project	150 Points
3. Technical Review	100 Points
4. Community Efforts and Readiness	100 Points
5. Need for Financial Assistance	150 Points
6. Benefit to Low and Moderate Income	150 Points
7. Project Implementation and Management	75 Points
TOTAL:	800 Points

HOUSING AND NEIGHBORHOOD REVITALIZATION CATEGORY RANKING CRITERIA

Housing and neighborhood revitalization applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points, based on the following ranking criteria:

1. Project Planning and Selection	100 points
2. Need	150 points
3. Community Efforts	100 points
4. Project Strategy and Impact	200 points
5. Benefit to Low and Moderate Income	150 points
6. Project Implementation and Management	100 points
TOTAL:	800 points

1. HOUSING

Regarding the housing category, CDBG funds are most often used to make low or no interest loans or grants to low- and moderate-income families to allow them to rehabilitate homes in substandard condition. CDBG funds can also be used to finance or subsidize the construction of new permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include site improvements to publicly owned land or land owned by a nonprofit organization to be used for new housing.

Transitional (temporary) housing is eligible under the public facilities category. The acquisition of sites for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities.

The following table provides a list of CDBG housing-related projects. Over the past 12 years, CDBG has funded 58 housing projects that equal more than $22 million in CDBG funds alone.

TABLE 1
CDBG REQUESTS FUNDED - HOUSING

YEAR	RECIPIENT	PROJECT	AMOUNT
1982	Town of Alberton	Housing Rehabilitation	$400,000
1982	City of Roundup	Housing Rehabilitation	400,000
1982	Town of St. Ignatius	Housing Rehabilitation	400,000
1983	City of Missoula	Housing Rehabilitation	227,500
1983	City of Kalispell	Housing Rehabilitation	250,000
1983	City of Miles City	Housing Rehabilitation	400,000
1983	Mineral County (St. Regis)	Housing Rehabilitation	400,000
1983	Town of Dodson	Housing Rehabilitation	400,000
1983	Town of Thompson Falls	Housing Rehabilitation	400,000
1983	City of Malta	Housing Rehabilitation	400,000
1983	City of Shelby	Housing Rehabilitation & New Construction	400,000
1984	City of Kalispell	Housing Rehabilitation	250,000
1984	City of Bozeman	Housing Rehabilitation	500,000
1984	Butte-Silver Bow	Housing Rehabilitation	500,000

TABLE 1
CDBG REQUESTS FUNDED - HOUSING

YEAR	RECIPIENT	PROJECT	AMOUNT
1984	Town of Lodge Grass	Housing Rehabilitation	500,000
1984	City of Missoula	Housing Rehabilitation	500,000
1985	City of Kalispell	Housing Rehabilitation	250,000
1985	Butte-Silver Bow	Housing Rehabilitation	500,000
1985	City of Chinook	Housing Rehabilitation	367,835
1985	City of Malta	Housing Rehabilitation	367,835
1985	Missoula County (Clinton)	Housing Rehabilitation	317,259
1985	Town of St. Ignatius	Housing Rehabilitation	367,835
1986	City of Glasgow	Housing Rehabilitation	350,000
1986	City of Havre	Housing Rehabilitation	600,000
1986	Silver Bow County	Housing Rehabilitation	350,000
1987	Butte-Silver Bow	Housing Rehabilitation	375,000
1987	Town of Kevin	Housing Rehabilitation	375,000
1987	Town of Saco	Housing Rehabilitation	375,000
1988	Town of Bridger	Housing Rehabilitation	375,000
1988	City of Glasgow	Housing Rehabilitation	375,000
1988	City of Havre	Housing Rehabilitation	375,000
1988	City of White Sulphur Springs	Housing Rehabilitation	375,000
1989	City of Hardin	Housing Rehabilitation	375,000
1989	City of Wolf Point	Housing Rehabilitation	375,000
1990	City of Hardin	Housing Rehabilitation	375,000
1990	City of Harlem	Housing Rehabilitation	375,000
1990	City of Kalispell	Housing Rehabilitation	375,000
1990	City of White Sulphur Springs	Housing Rehabilitation	375,000
1990	City of Glasgow	Housing Rehabilitation	266,982
1991	Butte-Silver Bow	Housing Rehabilitation	375,000
1991	Town of Fromberg	Housing Rehabilitation	375,000
1991	City of Miles City	Housing Rehabilitation	375,000
1991	Town of Nashua	Housing Rehabilitation	375,000
1992	City of Bozeman	New Construction	375,000
1992	Butte-Silver Bow (Centerville)	Housing Rehabilitation	375,000
1992	Town of Joliet	Housing Rehabilitation	375,000
1992	City of Livingston	Housing Rehabilitation	375,000
1992	City of Wolf Point	Housing Rehabilitation	375,000
1992	Yellowstone County (Worden-Ballantine)	Housing Rehabilitation	375,000
1993	City of Kalispell	Housing New Construction	247,500
1993	City of Miles City	Housing Rehabilitation	313,147
1993	City of Poplar	Housing Rehabilitation	400,000
1993	City of Red Lodge	Housing Rehabilitation	400,000
1993	City of Ronan	Housing Rehabilitation	400,000
1994	City of Bozeman	New Construction	400,000
1994	City of Helena	Housing Rehabilitation	400,000
1994	City of Kalispell	New Construction	400,000
1994	City of Missoula	New Construction	400,000
1994	Yellowstone County (Worden-Ballantine)	Housing Rehabilitation	199,216
TOTAL FUNDS			$22,250,109

2. ECONOMIC DEVELOPMENT PROJECTS

The economic development category of Montana's CDBG program is designed to stimulate the economic development activity by assisting the private sector, in order to create or retain jobs for low and moderate income persons. CDBG funds are intended to be used in situations where a

funding gap exists and alternative sources of public and private financing are not adequate. These funds are intended to complement conventional business financing techniques and those of other federal programs such as the Economic Development and Administration and Small Business Administration. The program is also designed to complement the Department of Commerce programs for business assistance such as those administered by the Economic Development Division, the Montana Board of Investments, and the Montana Science and Technology Alliance.

The CDBG economic development program is designed to assist businesses by making appropriate long-term, fixed-rate financing available to them at reasonable interest rates, and by providing public improvements in support of economic development activities.

Typical eligible activities that fall within the CDBG economic development category include: land acquisition; public facilities and other improvements in support of economic development, such as water and sewer lines, and access road; loans for acquisition, construction, rehabilitation, or installation of commercial and industrial buildings, facilities, equipment, or working capital; employee training; and grants or loans from communities to nonprofit entities.

The CDBG Economic Development program awards over $2 million annually to Montana's non-metropolitan (under 50,000 in population) cities, towns, and counties primarily for loans by the local government to private for-profit business projects. Loan repayments by the assisted business are usually allowed to be retained by the local government to provide loans to other businesses within the community. Between July 1, 1992 and June 30, 1994, twenty community projects were funded. The program provided $4,099,375 in project financing, leveraged $15,292,450 in other funds, and helped create or retain 490 jobs.

Over the last 14 years, the economic development portion of CDBG has awarded funding for almost 100 projects including 1995-funded projects. These funds, totalling almost $25 million, are presented by project location and year of commitment in Table 2. Over the last seven years, with a CDBG financial commitment of more than $12 million, about 1,933 jobs have been either created or retained in Montana's economy. Table 3 presents those jobs by year over the seven-year period.

TABLE 2
CDBG PROJECTS FUNDED
ECONOMIC DEVELOPMENT

YEAR	RECIPIENT	PROJECT	AMOUNT
1982	Sweet Grass County	C. Sharps Arms	334,071
1983	City of Kalispell	Downtown Redevelopment	250,000
1984	Kalispell	Downtown Redevelopment	250,000
1984	Belgrade	Butler Creek	210,500
1984	Hill County	Meissner (Big Bud) Tractors	500,000
1985	Kalispell	Flathead Industries	250,000
1985	Town of W. Yellowstone	Ralide West	88,937
1985	Hill County	Meissner (Big Bud) Tractors	500,000
1986	Butte	U.S. High Altitude Training Center	246,165
1986	City of Lewiston	Mountain Meadows	175,435
1986	City of Livingston	Depot Center	100,000

TABLE 2
CDBG PROJECTS FUNDED
ECONOMIC DEVELOPMENT

YEAR	RECIPIENT	PROJECT	AMOUNT
1986	Missoula County	Norco Products	302,000
1987	City of Bozeman	Schnee's Boots	162,000
1987	Gallatin County	Life-Link (Simms)	250,000
1987	City of Havre	Rocky Mountain Packing	273,000
1987	City of Helena	Win-Trol, Inc.	372,250
1987	Town of Stevensville	Turner Engineering	375,000
1988	Golden Valley	Quad Five	374,400
1988	Liberty County	Liberty Manufacturing	375,000
1988	Big Horn County	Custer Battlefield Trading Co.	169,900
1988	Town of Eureka	Eureka Pellet Mill	231,576
1988	City of Bozeman	ILX Lightwave Corp.	321,000
1989	Blaine County	Bear Paw Livestock Commission Corp.	115,000
1989	City of Bozeman	CVR Oak Designs	101,650
1989	City of Bozeman	Lattice Materials Commission	192,000
1989	Town of Stevensville	Stevi Machine	216,000
1989	City of Havre	Vita Rich	300,000
1989	Town of Bridger	Yellowstone Furniture Manufacturing	300,000
1989	Town of Philipsburg	Montana Silver Springs	300,000
1990	Beaverhead County	Centennial Foods	300,000
1990	Hamilton	Direct Advantage	190,000
1990	Garfield County	Garfield County Feeds	222,150
1990	City of Belgrade	Quake Industries	125,000
1990	City of Chinook	Sweet Medical Center	157,500
1990	Cascade County	Plasnetics	240,000
1991	Town of Fromberg	Gateway Software Company	300,000
1991	Carbon County	Invention Development Corporation	285,000
1991	City of Bozeman	Lattice Material Corporation	198,000
1991	City of Shelby	Pamida	300,000
1991	Powell County	Precision Cartridge	117,000
1991	Yellowstone County	ZooMontana	207,600
1991	Toole County	Northern Express Transp. Authority	300,000
1992	Broadwater County	Broadwater Printing	208,000
1992	City of Belgrade	Frank Products	164,625
1992	Carbon County	Memorial Hospital	300,000
1992	City of Hardin	Montana Beef Specialties	207,500
1992	Fergus County	Park Inn	212,000
1992	City of Havre	Water Chef	600,000
1993	City of Choteau	Alpine Touch	82,000
1993	Hill County	J. Burns Brown Operating Company	331,000
1993	Anaconda-Deer Lodge	Community Service Center	140,000
1993	City of Belgrade	Dynojet	225,000
1993	City of Conrad	Horizon Lodge	65,000
1993	Lake County	Montana Private Capital Network	45,000
1993	City of Belgrade	Osprey Boats	105,000
1993	Big Horn County	Plains Indian Museum	86,250
1993	City of Helena	Queen City Ice Palace	150,000
1993	City of Bozeman	Reliable Transaction Processing	80,000
1993	City of Shelby	Townhouse Inn	500,000
1994	Butte-Silver Bow	Sureway Systems	100,000
1994	Sweetgrass County	Medical Facility	200,000
1994	City of Belgrade	Kid-Kart	210,000
1994	Lake County	Montana Naturals	378,000
1994	Town of Drummond	Clark Fork Lumber	130,000
1994	City of Havre	Duck Inn	350,000
1994	Town of Superior	Superior Safety	220,000
1994	Town of Fairfield	Dairy Best	189,500
1994	City of Wolf Point	GNDC/Capacity	449,500
1994	City of Livingston	L. Rebuild Center	500,000

TABLE 2
CDBG PROJECTS FUNDED
ECONOMIC DEVELOPMENT

YEAR	RECIPIENT	PROJECT	AMOUNT
1994	Butte-Silver Bow	High Country Furniture	75,000
1994	Butte-Silver Bow	Luigino's/State RLF	106,060
1995	Anaconda-Deer Lodge Co.	Davidson Block	105,000
1995	Lewis and Clark County	Hi-Country Beef Jerky	254,095
1995	Meagher County	Smokey Mountain Lodge	242,000
1995	Fergus County	Allied Steel	211,200
1995	Anaconda-Deer Lodge	Rail Spur-Arbiter Plant	150,000
1995	Butte-Silver Bow	Luigino's	960,000
TOTAL FUNDS			$19,408,304

TABLE 3
ECONOMIC DEVELOPMENT BENEFITS

FISCAL YEAR	JOBS TO BE CREATED	JOBS TO BE RETAINED	TOTAL JOBS
1989	83	78	161
1990	74	23	97
1991	174	0	174
1992	179	116	295
1993	147	0	147
1994	193	54	247
1995	665	147	812
TOTAL	1,515	418	1,933

3. PUBLIC FACILITY PROJECTS

In the public facility category CDBG funds have been used to upgrade or undertake the new construction of dozens of community water and sewer systems and other public facilities. During the last several years communities have also utilized the CDBG program to construct or rehabilitate senior citizen centers, centers for abused or runaway youth, and public nursing home facilities.

The projects listed below were funded wholly or in part, by CDBG funds. Over the last 12 years, 116 projects have been awarded for infrastructure assistance. These projects, distributed throughout the state, are presented by grantee and year as well as funding level in Tables 4 and 5. Table 4 presents principally water and sewer projects. Table 5 presents other assisted projects. Overall, more than $40 million has been distributed since 1982.

TABLE 4
CDBG REQUESTS FUNDED
PUBLIC FACILITIES

YEAR	RECIPIENT	TYPE	AMOUNT
1982	Big Horn County (Wyola)	Water	245,236
1982	Town of Culbertson	Water	400,000
1982	Judith Basin County (Geyser)	Sewer	102,106
1982	City of Lewistown	Sewer	343,975
1982	Madison County	Solid Waste	81,073
1982	Town of Moore	Sewer	105,169

TABLE 4
CDBG REQUESTS FUNDED
PUBLIC FACILITIES

YEAR	RECIPIENT	TYPE	AMOUNT
1982	Powell County	Solid Waste	108,900
1982	Sheridan County (Antelope)	Water and Sewer	100,020
1982	Town of Winnett	Water	179,635
1983	Anaconda-Deer Lodge	Curbs and Gutters	96,034
1983	Butte-Silver Bow	Sidewalk Construction	250,000
1983	Town of Plains	Street Reconstruction	244,766
1983	Hill County	Water	500,000
1983	Town of Flaxville	Water	21,850
1983	Town of Joliet	Sewer	229,090
1983	City of Three Forks	Water	400,000
1983	Cascade County (Vaughn)	Water	362,000
1983	City of Harlem	Sewer	115,955
1983	Rosebud County (Ingomar)	Water & Sewer	166,262
1983	Anaconda-Deer Lodge County	Sewer	400,000
1984	Flathead County (Martin City)	Water	500,000
1984	Lake County (Charlo)	Water	195,015
1984	Melstone	Water	500,000
1984	Saco	Water	500,000
1984	White Sulphur Springs	Water	500,000
1984	Winnett	Water	77,437
1985	Town of Bearcreek	Sewer	400,000
1985	Town of Chester	Water	156,450
1985	City of East Helena	Water	398,335
1985	Town of Flaxville	Water	99,500
1985	Town of Hot Springs	Water	343,350
1985	Town of Kevin	Water	400,000
1985	Town of Lima	Water	400,000
1986	Town of Big Sandy	Water	350,000
1986	Cascade County (Vaughn)	Water	350,000
1986	Daniels County	Solid Waste	350,000
1986	Town of Denton	Water	350,000
1986	Flathead County (Somers)	Water	350,000
1986	Pondera County (Brady)	Water	276,349
1986	Town of Richey	Water	158,450
1986	Sanders County (Paradise)	Water	350,000
1986	Valley County (Hinsdale)	Water	147,500
1986	Town of West Yellowstone	Water	350,000
1987	Beaverhead County (Jackson)	Water & Sewer	368,120
1987	Town of Ekalaka	Sewer	184,148
1987	Fergus County (Roy)	Sewer	179,000
1987	City of Harlem	Water	375,000
1987	Town of Hysham	Water	375,000
1987	City of Kalispell	Water	375,000
1987	Town of Melstone	Water	362,194
1987	Sheridan County (Reserve)	Sewer	77,400
1987	City of Three Forks	Water & Sewer	375,000
1988	Town of Fromberg	Sewer	140,815
1988	Town of Moore	Water	375,000
1988	Town of Sheridan	Water	375,000
1988	Sanders County (Noxon)	Water	375,000
1988	Silver Bow County (Melrose)	Sewer	370,220
1988	Town of Sunburst	Water	375,000
1988	City of Thompson Falls	Water	173,600
1988	Town of Twin Bridges	Sewer	177,025
1988	Town of Virginia City	Water	330,050

TABLE 4
CDBG REQUESTS FUNDED
PUBLIC FACILITIES

YEAR	RECIPIENT	TYPE	AMOUNT
1989	Town of Big Sandy	Water	375,000
1989	Blaine County (Turner)	Sewer	86,300
1989	Flathead County (Evergreen)	Sewer	375,000
1989	Town of Flaxville	Water	236,000
1989	City of Glendive	Water	375,000
1989	Town of Joliet	Water	375,000
1989	City of Malta	Flood Control	176,000
1989	Town of Philipsburg	Water	375,000
1989	City of Polson	Water	375,000
1990	Cascade County (Sun Prairie Village)	Water	340,000
1990	Town of Dutton	Water	375,000
1990	Sanders County	Solid Waste	375,000
1991	City of Chinook	Water	305,750
1991	Town of Eureka	Storm Drainage	375,000
1991	Flathead County (Somers)	Sewer	375,000
1991	Town of Hobson	Sewer	284,463
1991	Town of Lodge Grass	Water	375,000
1991	Park County (Wilsall)	Water	335,975
1991	Town of Ryegate	Water	375,000
1992	Anaconda-Deer Lodge	Water	375,000
1992	Carbon County (Roberts)	Water	375,000
1992	Cascade County (Stockett)	Sewer	375,000
1992	City of Missoula	Sewer	50,647
1992	City of Three Forks	Water	354,000
1992	Town of Winnett	Sewer	375,000
1992	City of Townsend	Sewer	375,000
1992	Town of Winnett	Sewer	375,000
1993	Town of Fromberg	Water	400,000
1993	Town of Ennis	Water	400,000
1993	Town of Fromberg	Water	400,000
1993	Hill County (Box Elder)	Water	322,105
1993	Mineral County (St. Regis)	Sewer	400,000
1993	Missoula County (Linda Vista)	Water	290,000
1993	City of Missoula	Sewer	375,000
1993	City of Shelby	Water	200,000
1993	Stillwater County (Reed Point)	Sewer	400,000
1994	Town of Nashua	Water	400,000
1994	Town of Whitehall	Water	325,000
1994	City of Harlem	Water	170,795
1994	City of Hamilton	Sewer	350,000
1994	City of Ronan	Sewer	400,000
1994	City of Thompson Falls	Water	400,000
1994	Town of Circle	Water	300,000
1994	Town of Terry	Sewer	400,000
1994	City of Red Lodge	Sewer	213,585
1995	Town of Browning	Water	400,000
1995	Cascade County (Vaughn)	Sewer	400,000
1995	City of Harlowton	Sewer	400,000
1995	City of Missoula	Sewer	256,000
1995	Ravalli County (Victor)	Sewer	300,000
1995	City of Troy	Sewer	400,000
1995	Yellowstone County (Huntley)	Water	400,000
TOTAL FUNDS			$34,938,649

TABLE 5
CDBG REQUESTS FUNDED
OTHER NON-INFRASTRUCTURE PUBLIC FACILITIES

YEAR	RECIPIENT	TYPE	AMOUNT
1983	Town of Alberton	Park Construction	215,000
1983	Cascade County	Community Center	249,700
1988	Missoula County	Head Start Center	133,000
1989	Carbon County	Senior Center	329,980
1989	Custer County	Mental Health Center	375,000
1990	City of Helena	Neighborhood Center	375,000
1990	Missoula County	Family Services Facility	167,500
1990	Yellowstone County (Lockwood)	Fire Station	375,000
1991	Garfield County	Health Center	375,000
1991	Hill County	Senior Center	273,000
1992	Lewis & Clark County	Shelter Home	244,550
1993	City of Lewistown	Senior Center	400,000
1993	Meagher County	Senior Center	305,000
1994	Teton County	Hospital/Nursing Home	264,213
1994	Lewis and Clark County	Mental Health	350,000
1995	City of Bozeman	Senior Center	400,000
1995	Butte-Silver Bow	Senior Center	400,000
1995	Pondera County	Nursing Home	109,500
TOTAL FUNDS			5,341,443

B. HOME INVESTMENT PARTNERSHIPS PROGRAM

The HOME program, administered by the Housing Division under the Housing Assistance Bureau of MDOC, was created under Title II (the Home Investment Partnerships Act) of the 1990 National Affordable Housing Act. The program expands the supply of decent, affordable housing for low- and very low-income families; builds state and local capacity to design and carry out affordable housing programs; provides financial and technical assistance to participating jurisdictions, including model program development; and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.

The program allows a wide range of eligible activities, including tenant-based rental assistance; assistance to homebuyers; property acquisition; new construction; reconstruction, relocation, or demolition; moderate or substantial rehabilitation; site improvements; and other activities to develop nonluxury housing.

Beginning with the use of Fiscal Year 1993 funds, HOME program beneficiaries are required under the Act, to make a contribution to affordable housing. The required contribution, or "match," for grantee applicants is calculated at 12.5% of non-administrative HOME funds expended. The balance (12.5%) of the match requirement is provided by MDOC funds and/or utilizing previous years' excess match. The matching funds must be used for HOME-assisted or HOME-qualified projects. As a general rule, investments which are contributions from the State/local government or private sources will be eligible to qualify as a matching contribution. Eligible sources of match include: cash; the value of foregone interest, taxes, fees or charges by both public and private entities;

value of donated land or real property; investments in on- or off-site improvements, bond financing, donated construction materials and voluntary labor. Ineligible match sources include federal funds and CDBG funds.

Based on the amount of HOME dollars invested, homeownership programs are subject to a period of affordability. In addition, sale of the property by the homebuyer during the period of affordability is subject to resale restrictions or a possible recapture of the HOME subsidy. The resale provision provides for the initial property to remain affordable for the period of affordability. The subsequent purchaser must be low income and occupy the property as a principal residence. The seller of the initial property will receive a fair return on his investment, but the unit must also be "affordable" to the new purchaser. This can be accomplished with a deed restriction with the right of first refusal or purchase. The HOME investment subject to recapture is based on the amount of HOME assistance provided and the affordability period it is based on. Repayment of HOME proceeds at transfer of the property must be reinvested to assist another homebuyer to obtain a home. The purchaser must also be a low-income household and occupy the property as their principal residence. There are three methods of recapture that are acceptable:

1. Recapture the entire amount of the HOME investment, except that the amount may be reduced prorata based on the time the homeowner has owned and occupied the unit measured against the required affordability period.

2. The net proceeds may be divided proportionally if the funds are not sufficient to recapture the full HOME investment plus enable the homeowner to recover a portion of his investment.

3. If agreed upon, the program may allow the homeowner to recover all of his investment before recapturing the HOME investment.

All metropolitan cities (except Billings and Great Falls), urban counties, contiguous units of local government, and CHDOs (Community Housing Development Organizations, certified nonprofit organizations) are eligible to apply for HOME funds under the program administered by MDOC. A formula allocation of funds is distributed to each state and eligible city. MDOC the City of Billings and the City of Great Falls are the only participating jurisdictions in the state. Fifteen percent of funds are set aside for programs owned, developed, or sponsored by CHDOs. HOME funds are distributed on a competitive basis. All HOME funds must assist families below 80 percent of the area median income.

The need for additional low-income housing units far exceeds the funds available to address the needs. The following table illustrates successful HOME funded projects that have been completed or are in the process of being completed at this time. From 1992-1994, the HOME Program has created or rehabilitated approximately 710 housing units and leveraged approximately $35 million to housing for low and very low-income families. In addition, MDOC has contributed over $666,000 to help Montana's HOME grantees meet federal match requirements.

TABLE 6
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)
PROJECTS FUNDED

NAME	PROJECT	NO. OF UNITS	HOME FUNDS
FFY 1992			
Fromberg	Rehabilitation SF	14	$150,000
Carbon County	Rehabilitation SF	19	$300,000
Joilet	Rehabilitation SF	24	$300,000
Bridger	Rehabilitation SF	20	$300,000
Wolf Point	Rehabilitation MF and SF	7	$ 72,233
Bozeman HRDC	New Construction - SF and MF (FTHB)	20	$300,000
Missoula City/County	First Time Homebuyer	35	$600,000
Hardin	Rehabilitation SF and Rehab MF/ (Transitional Center)	29	$300,000
Billings	Rental Rehab/First-Time Homebuyer	39	$200,000
Butte/Silver Bow	Rehabilitation SF	25	$375,000
Northwest HRDC (Kalispell)	Acquisition (transitional center)	4	$ 66,507
Havre	Rehabilitation SF/First-Time Homebuyer	43	$300,000
Neighborhood Housing Services	New Construction/First-Time Homebuyer	12	$230,643
Westby	Rehabilitation SF	18	$135,677
FFY 1993			
YWCA of Missoula	Acquisition/Transitional Housing	6	$276,198
Bozeman	New Construction MF	9	$200,000
District XII HRDC (Butte)	Rehabilitation/Transitional Housing	32	$210,729
Lewis & Clark Co.	New Construction/Transitional Housing	12	$300,000
Great Falls	New Construction MF	8	$300,000
Yellowstone County	New Construction MF	8	$305,500
Glacier County	Rehabilitation MF	36	$172,046
Kalispell	New Construction	16	$300,000
Poplar	Acquisition/Rehabilitation MF	8	$300,000
Northwest HRDC (Kalispell)	New Construction/Transitional Housing	16	$300,000
Ronan	New Const./Tenant Based Rental Assist.	22	$300,000
MPA Billings	Acquisition/First-Time Homebuyer	2	$ 53,203
FFY 1994			
Red Lodge	Rehabilitation SF	25	$400,000
Miles City	Conversion/Rehabilitation MF	9	$300,000
Lake County	Tenant-based Rental Assistance	16	$ 60,000
Building Self Worth, Inc. (Butte)	New Construction/MF (developmentally disabled)	10	$208,814
Kalispell	New Construction/FTHB (some handicapped)	44	$ 52,194
District XI HRDC (Missoula)	New Construction/FTHB and Rent to Own	18	$400,000
Neighborhood Housing Services (GF)	New Construction/FTHB	12	$360,000
Western MT Health Center (Missoula)	New Construction/FTHB (some handicapped)	36	$400,000
Northwest HRC (Kalispell)	Reconstruction/MF	36	$255,551
Flathead County	New Construction/Rental (ADA built)	20	$329,564
TOTAL TO DATE			$9,413,859

C. EMERGENCY SHELTER GRANT PROGRAM

Emergency Shelter Grants (ESG), administered by the Family Assistance Division, are to help improve the quality of existing emergency shelters for the homeless, make available additional shelters, meet the costs of operating shelters, and provide essential social services to help prevent homelessness. The grants are 100 percent funded by the U.S. departments of Health and Human

Services and Housing and Urban Development; but, they required a 50 percent match that can be considered "soft" (e.g., volunteer, other in-kind matches). According to federal law, 90 percent of funds received must be allocated to the 10 regional Human Resource Development Councils (HRDCs). The grants fund the renovation, rehabilitation, or operating costs of homeless shelters, and the provision of follow-up and long-term services to help homeless persons escape poverty. Shelters to be assisted and service to be delivered are determined by the individual HRDCs receiving the allocated funds. In relative terms, these funds are small in comparison to Montana's HOME and CDBG funding allocations.

The Montana Emergency Shelter Program distributes funds based upon a formula allocation. The amount of funds allocated is determined on the basis of poverty and general population in each service area, relative to the poverty and general population of the entire state. Allocations of HUD ESG funds are as follows:

1990 OVERALL AND POVERTY CENSUS DATA

AGENCY	1990 POPULATION PERCENT	1990 POVERTY PERCENT	AVERAGE PERCENT
Action for Eastern MT	11.08%	12.37%	11.73%
District 4 HRDC	3.33%	4.24%	3.79%
Opportunities, Inc.	14.13%	14.62%	14.38%
District 6 HRDC	2.77%	3.03%	2.90%
District 7 HRDC	18.00%	15.80%	16.90%
Rocky Mountain Devel. Council	7.35%	5.25%	6.30%
District 9 HRDC	8.18%	8.53%	8.36%
NW MT Human Resources, Inc.	13.48%	13.59%	13.54%
District 11 HRDC	13.35%	13.98%	13.67%
District 12 HRDC	8.33%	8.59%	8.46%
TOTAL	100.00%	100.00%	100.00%

Funds are distributed to each Human Resource Development Council. All HRDCs will submit workplans, budgets and reports outlining which of the allowable activities will be undertaken, how matching funds will be realized and a certification of local approval verifying that budgets and workplans have been reviewed and approved by a representative of the respective jurisdiction. The Department of Public Health and Human Services will execute contracts with all HRDCs within thirty (30) days of HUD approval of this application.

Actual project proposals for ESGP funds have included the renovation of a building (asbestos removal and lead abatement) in order to use it as a transitional facility. Funds are also used to provide medical services to homeless individuals and families, to pay for hotel/motel rooms for homeless individuals, to pay rent or mortgages for homeless families, and to provide support groups, individual counseling, referral, advocacy and transport to homeless persons. Shelters have used funds

to pay rent or mortgages, pay utilities, buy furnishings, and pay for maintenance and operational costs of their facilities. ESGP funds are also used to pay security deposits on rent or utilities (or first month's rent) to enable homeless families to move into their own dwellings. The State has elected to allocate its funding to the non-profit HRDCs.

III. STATE PROFILE

A. MONTANA'S ECONOMIC PROFILE

Montana is the fourth largest state in land area. The population density of areas around Montana range from a high of 3,470 people per square mile in Great Falls, to a low of .31 per square mile in Petroleum County, as reported in the 1990 Census. This helps to account for the diversity of housing, public facility, and community development conditions throughout the state. With about 856,000 people, the state has only two entitlement areas:[1] Billings and Great Falls. While the entitlement areas, along with Native American Tribal Organizations, are required to submit separate Consolidated Plan documents under the National Affordable Housing Act of 1990 (as well as other legislation), characteristics of Billings, Great Falls, and Native American Tribal Lands have been integrated into portions of the county and statewide analysis presented herein.

The following discussion presents historic economic data and trends within Montana as well as comparisons with neighboring states. This step in the analysis addresses the health and viability of various industries within the larger region and offers perspective regarding long-term viability of historic key industries and new emerging industries showing promise in Montana.

ECONOMIC STRUCTURE

The economic health of any state depends largely upon the vitality of its *basic industries.* Basic industries are those economic sectors that bring income into the state, usually through the export of products or services. All other economic transactions are *nonbasic*. For example, when workers in the exporting industries spend their earnings locally, they create nonbasic economic activity. Many people focus on the relationship of basic to nonbasic employment when gauging a state's economic health. However, while employment is indeed an important measure of overall economic activity, it is the flow of income, not the level of employment, that sustains an expanding economy.

Each dollar of basic income spent in the state generates additional dollars of nonbasic income. As the ratio of nonbasic to basic income rises, the economy grows stronger. Products and services previously imported begin to be supplied locally. The local economy becomes increasingly integrated, and income leaves the area more slowly than before. More and more state residents begin to enjoy the benefits of each basic income dollar. When an economy is in decline, the reverse occurs: the ratio of nonbasic income to basic income diminishes. As imports rise, basic income dollars leak out of the state more quickly, and fewer residents benefit from each basic income dollar.

The economic analysis presented herein regards income, not employment, as the primary driver of economic activity. This is a critical distinction, because some "basic" components of Montana's economy do not directly involve basic employment. For example, retirees living off their

[1]Metropolitan areas with populations of 50,000 or more.

investments may bring income into Montana. Even though they are not employed, their demand for goods and services generates jobs and local income. Also, various forms of welfare, or "transfer payments" such as Section 8 housing assistance, are considered basic when they flow from outside to inside the state. Such payments cause demand for goods and services, resulting in nonbasic employment.

The ratio of nonbasic income to basic income is called a *multiplier*. The multiplier rises as the number of economic transactions increases, and it falls as transactions decrease. Diagram 1, at right, traces historical fluctuations in the nonbasic/basic income multiplier for Montana.[2] After reaching a peak in the period 1976 through 1978, the multiplier diminished rapidly, indicating that Montana's economy had entered a period of decline. While it is less dynamic now than it was in the 1970's, the economy is improving. Since 1990, the multiplier has risen sharply.

DIAGRAM 1
NONBASIC/BASIC MULTIPLIER

The earlier decline can be traced to three influences. First, Montana has long depended upon resource-based industries to bring dollars into the state. Downturns in these industries dealt heavy blows to Montana's economy, as periods of low demand for its resources adversely affected employment. Demand for resources follows business cycle influences and can be expected to continue to rise and fall long into the future. Second, and more ominously, Montana has been profoundly affected by structural change in national and global markets. Third, Montana's resource base has been dwindling and is expected to continue to do so.

Structural change refers to long-term economic change, not the short-term fluctuations normally associated with the business cycle. It is occurring on a global level because of changes in technology, communications, information management, and consumer preferences. These changes have stimulated consolidation and mechanization, contributed to the rapid development of emerging world markets, and stimulated manufacturing production of whole sectors of regional economies in lower-wage countries. Development and production opportunities are cropping up world-wide, and proximity to end-user markets and transportation systems is becoming increasingly important. Mining is one example of a Montana industry currently in the throes of structural change. Montana's mining industry is moving quickly toward mechanization even as some older facilities are closing due to increasing environmental constraints.

[2]The basic and nonbasic sectors of Montana's economy are presented in Section C of this report.

Montana has struggled to accommodate such structural change during a time when its raw material base appears to be diminishing, owing to the nonrenewable nature of products that are mined and milled. For example, harvests from federal timber lands are expected to decline substantially in the near future. University of Montana studies have forecast declines as large as 50 percent in northwestern Montana's lumber and wood products employment over the next 10 years. But as prices for wood products have increased, so has the competitiveness of substitute goods, such as metal, plastics, and concrete. Such competition tightens profit margins, constrains wage increases, and causes further mechanization as jobs are replaced with machines. Industry may have greater opportunity elsewhere. Fortunately, Montana's economy has an amazing capacity to adapt; its basic industries may be able to compensate for their declining size by increasing their competitiveness and efficiency.

THIRTEEN INDUSTRY SEGMENTS

These key economic trends -- business cycle influences, national and global economic structural change, and a dwindling or constrained traditional resource base -- have all affected Montana's economy profoundly over the last twenty-five years; and these influences will likely continue to impact the State's business community. But there are also other subtle influences evident in Montana's economy, ones that are aiding to propel Montana's economic evolution toward a more abundant future.

Table 1, on the following page, begins the presentation by reviewing thirteen different economic sectors and their employment levels since 1969. Overall, total employment in Montana has been expanding at about 2.0 percent per year, having risen from 296,699 in 1969 to 486,556 in 1994, a modest but reasonable compound annual growth rate. Of particular interest are Montana's three main traditional export industries: farming, mining, and manufacturing.

TABLE 1
HISTORIC EMPLOYMENT BY INDUSTRY -- MONTANA
TOTAL NUMBER OF JOBS

YEAR	FARM	AFF	MIN	CONST	MFG	TCPU	WHOLE	RETAIL	FIRE	SRVC	FED C	FED M	S&LG	TOTAL
1969	36,708	2,309	7,088	14,625	25,714	18,893	10,489	49,138	19,197	51,698	11,821	11,193	37,952	296,699
1970	36,490	2,421	7,288	14,980	25,385	18,929	10,773	49,738	18,550	52,648	12,049	11,341	39,181	299,773
1971	36,962	2,678	8,121	15,688	25,078	19,018	10,898	51,364	18,288	54,842	11,880	11,455	41,579	305,809
1972	36,380	2,998	6,939	17,686	25,540	19,943	11,777	53,455	18,491	58,351	12,397	11,266	42,338	317,561
1973	35,940	3,116	7,523	18,876	25,924	20,690	12,232	58,507	20,883	61,416	12,218	11,688	43,789	330,800
1974	37,036	3,347	8,138	19,232	25,937	21,887	12,950	58,552	21,884	63,228	13,019	11,816	46,786	342,771
1975	33,821	3,223	7,295	18,991	24,689	21,837	15,849	57,492	21,771	65,500	13,557	11,246	47,707	342,758
1976	31,928	3,329	6,964	20,862	25,760	22,426	16,391	62,098	23,180	71,666	13,438	10,769	48,630	357,439
1977	30,406	3,421	7,263	23,228	27,338	23,390	16,937	64,928	24,676	75,819	13,250	10,202	49,784	370,442
1978	30,622	3,670	8,284	24,976	28,847	24,870	17,674	69,999	24,932	80,587	13,852	10,124	51,157	389,493
1979	32,172	3,577	8,783	23,863	29,069	26,354	18,533	70,497	24,838	82,332	14,008	9,815	51,238	395,059
1980	31,611	3,670	9,767	22,262	26,320	26,312	18,830	68,844	25,219	83,740	13,967	9,194	51,889	391,625
1981	31,270	3,957	12,659	20,870	25,213	26,301	19,228	69,773	25,083	85,202	13,652	9,238	51,042	393,488
1982	30,742	4,115	10,872	21,218	22,565	25,590	18,445	70,362	25,480	87,276	13,146	9,336	50,580	389,727
1983	32,968	4,609	9,050	21,341	24,624	24,406	18,299	71,673	25,630	90,670	13,072	9,593	51,166	397,001
1984	31,892	5,023	9,486	20,922	25,282	25,081	18,675	73,433	25,963	93,825	12,866	9,336	52,199	403,982
1985	31,875	5,302	8,608	19,530	24,708	24,946	17,936	72,630	26,129	97,401	12,871	9,613	52,575	404,124
1986	31,981	5,683	7,613	18,659	24,486	23,994	16,634	71,294	26,176	100,211	12,698	9,497	53,192	402,018
1987	32,337	6,095	7,589	16,968	24,341	23,451	16,544	72,426	26,427	103,946	13,163	9,722	52,761	405,770
1988	31,604	6,246	7,768	17,465	25,077	23,347	16,289	74,904	28,186	107,822	13,555	9,847	53,687	416,797
1989	31,404	6,984	7,729	18,147	26,256	23,332	17,090	76,881	27,815	109,512	13,794	10,587	54,362	422,893
1990	31,695	6,190	7,630	18,011	26,103	23,863	17,358	77,799	26,126	112,173	13,966	10,578	56,044	427,536
1991	30,814	7,031	7,270	20,918	25,909	24,962	18,073	83,095	26,963	119,890	13,202	10,431	57,219	445,777
1992	29,560	6,905	6,900	23,385	26,991	24,292	18,680	87,642	27,800	125,064	13,560	10,383	59,383	460,145
1993	29,276	7,686	6,741	24,260	27,861	25,106	18,978	89,985	28,586	130,358	13,571	10,355	58,981	471,743
1994	28,338	8,197	6,684	26,074	27,948	25,693	19,669	94,981	29,164	135,819	13,724	9,961	60,304	486,556

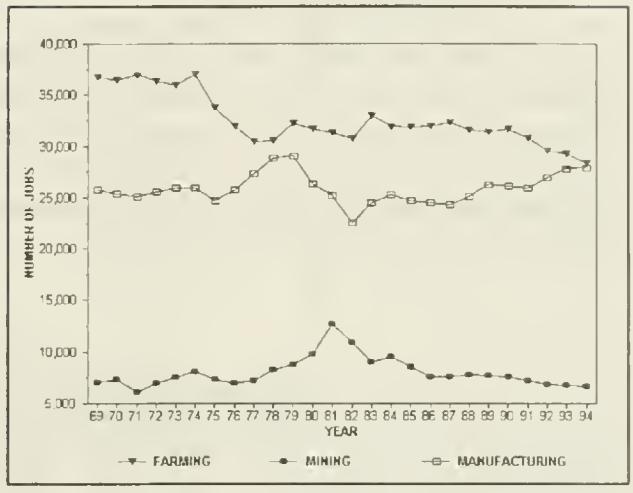
FARM - Farming
AFF - Agg, Forestry, and Fishery Services
MIN - Mining
MFG - Manufacturing
TCPU - Transportation, Communication, and Public Utilities
WHOLE - Wholesale Trade
RETAIL - Retail Trade
FIRE - Finance, Insurance, Real Estate
SRVC - Services
FED C - Federal Civilian
FED M - Federal Military
S&LG - State and Local Government

Farm employment has declined for nearly twenty-five years, from 36,708 jobs in 1969 to 28,338 jobs in 1994. While it held steady from the late 70's to the late 80's, it has again begun to decline. Unlike farming, Montana's mining industry grew rapidly until 1981, 12.7 percent per year between 1976 and 1981. Since then, however, it has declined steadily, falling to nearly half of its 1981 level and less than its 1969 level. Long-term difficulties for the mining sector are expected. Manufacturing employment reached a high of 29,069 jobs in 1979, a peak lumber and wood products production year. The sector shed more than 6,500 jobs over the following three years, falling to 22,565 jobs--the lowest level over the twenty-five year history. Today, the sector is showing some signs of recovery and employment is again growing; manufacturing had 27,948 jobs in 1994, but this represented only an 8.6 percent increase over 1969 employment.

The track record of each of these industries is shown in Diagram 2. Note, however, that in contrast to agriculture and mining, there has been a slight rise in manufacturing employment over the last four to five years. Food products, lumber and wood products, and primary metals--all parts of

the traditional export base--are still sinking. Traditional manufacturing industries are not improving; the increase appears to be due largely to new and emerging industry trends for Montana. These new economic events mean that Montana's economy is becoming less dependent upon its traditional resource base; and, the economic landscape is showing signs of expansion and diversification. Table 2, shows employment levels in each of the state's two-digit SIC manufacturing sectors.

DIAGRAM 2
MONTANA'S TRADITIONAL INDUSTRIES



One can see that food products (SIC 20), lumber and wood products (SIC 24), petroleum (SIC 29), and primary metals (SIC 33) have all lost employment since 1979. These manufacturing industries have sprung from traditional resource-based sectors, supported by what can be extracted from Montana's raw materials base. Yet economic growth has been occurring in recent years, and in very interesting areas. Furniture, for example, is a significant value-added industry that has exhibited growth. Instead of exporting lumber and wood, Montanans are adding value to the raw lumber. Also, leather products industries are increasing their presence in the state. There is even modest growth in high technology (typically clustered in SIC 35, 36 and 38). Most significantly, the miscellaneous industry category is expanding and is currently the fourth-largest manufacturing sector in the state. The emergence of these industries bodes well for the state of Montana. Efforts to diversify the state's economy are

TABLE 2
HISTORIC MANUFACTURING EMPLOYMENT -- MONTANA
NUMBER OF JOBS BY TWO DIGIT STANDARD INDUSTRIAL CLASSIFICATION

YEAR	SIC 20	SIC 21	SIC 22	SIC 23	SIC 24	SIC 25	SIC 26	SIC 27	SIC 28	SIC 29	SIC 30	SIC 31	SIC 32	SIC 33	SIC 34	SIC 35	SIC 36	SIC 37	SIC 38	SIC 39
1979	4,147	2	(D)	228	12,097	169	714	2,598	604	1,020	100	(D)	1,476	3,302	617	600	369	173	108	708
1980	4,079	2	(D)	223	10,276	146	812	2,398	647	1,023	96	(D)	1,331	2,680	657	661	401	108	96	745
1981	3,847	3	(D)	300	9,716	173	840	2,474	616	1,077	129	(D)	1,271	2,044	678	705	402	200	101	693
1982	3,697	1	3	412	8,079	(D)	802	2,448	532	1,060	122	40	1,257	1,446	606	518	(D)	167	132	717
1983	3,727	1	3	499	9,913	(D)	869	2,661	496	1,016	107	66	1,346	1,244	587	467	(D)	161	157	756
1984	3,200	(D)	3	566	10,316	290	911	2,634	571	864	129	(D)	1,390	1,553	682	616	395	198	132	765
1985	2,711	(D)	7	653	9,997	328	890	2,671	662	909	128	(D)	1,341	1,395	690	635	406	218	101	906
1986	2,829	0	(D)	722	9,967	339	869	2,719	692	844	136	(D)	1,345	1,224	643	603	192	204	133	933
1987	2,764	0	5	660	10,142	364	847	2,777	636	771	166	71	1,265	1,184	609	621	181	196	149	944
1988	2,813	0	4	682	10,106	341	836	2,894	628	764	119	79	1,256	1,166	630	654	261	320	168	1,367
1989	2,642	0	8	863	10,548	392	844	3,080	691	781	86	51	1,397	1,169	617	761	321	309	236	1,460
1990	2,673	0	16	917	10,260	410	816	3,183	656	767	76	46	1,274	1,136	688	873	327	327	288	1,483
1991	2,604	0	32	983	9,653	504	804	3,239	618	791	83	48	1,166	1,108	798	819	451	290	314	1,604
1992	2,672	0	(D)	(D)	10,150	606	802	3,325	624	852	202	(D)	1,189	1,129	810	797	295	322	321	1,988
1993	2,657	0	(D)	(D)	10,311	682	801	3,444	674	877	223	(D)	1,177	1,077	840	966	269	440	340	1,956
1994	2,703	0	(D)	(D)	9,761	801	798	3,502	692	848	303	(D)	1,205	963	882	1,196	276	640	330	2,005

SIC 20 - Food and Kindred Products
SIC 21 - Tobacco Products
SIC 22 - Textile Mill Products
SIC 23 - Apparel and Other Textile Products
SIC 24 - Lumber and Wood Products
SIC 26 - Furniture and Fixtures
SIC 26 - Paper and Allied Products
SIC 27 - Printing and Publishing
SIC 28 - Chemicals and Allied Products
SIC 29 - Petroleum and Coal Products
SIC 30 - Rubber and Misc Plastics Products
SIC 31 - Leather and Leather Goods
SIC 32 - Stone, Clay, and Glass Products
SIC 33 - Primary Metals Industries
SIC 34 - Fabricated Metal Products
SIC 35 - Machinery and Computer Equipment
SIC 36 - Electronic Equipment, exc. Computers
SIC 37 - Transportation Equipment
SIC 38 - Instruments and Related Products
SIC 39 - Miscellaneous Manufacturing Industries

proving successful and will help insulate the state from future sharp downturns in any one industry, such as lumber and wood products.

As the three traditional sectors of agriculture, mining, and traditional manufacturing have declined in relative importance recently, sectors involved with the production of services, retail and wholesale trade, and similar nonindustrial activities have grown. Retail employment has nearly doubled over the 1969-94 period, from 49,136 to 94,981: a 2.67 annual growth rate. Services have expanded even more quickly; a 3.94 percent annual growth rate has pushed this sector up from 51,696 in 1969 to around 135,819 in 1994.

TABLE 3
HISTORIC EARNINGS BY INDUSTRY -- MONTANA
AVERAGE EARNINGS PER EMPLOYEE - REAL 1987 DOLLARS

YEAR	FARM	AFF	MIN	CONST	MFG	TCPU	WHOLE	RETAIL	FIRE	SRVC	FED C	FED M	S&LG	AVG
1969	18,585	12,694	22,499	23,763	21,026	24,174	22,707	13,139	9,985	12,821	22,142	10,690	14,006	16,390
1970	21,486	11,940	22,928	24,652	21,000	24,553	22,593	13,109	10,232	12,973	24,067	11,280	14,417	17,007
1971	17,714	12,609	23,656	24,889	21,690	25,798	22,944	13,318	11,260	12,928	25,215	11,575	14,861	16,860
1972	27,714	13,768	24,642	25,904	22,481	27,010	23,277	13,755	11,631	13,146	26,332	12,704	15,434	18,597
1973	37,829	15,014	26,024	25,330	23,056	27,904	23,945	14,079	10,643	13,294	27,408	13,151	15,981	19,863
1974	27,201	14,908	28,513	25,179	23,393	27,579	25,207	13,734	9,805	13,138	26,693	12,540	15,741	18,600
1975	23,683	14,588	31,737	25,739	23,917	27,427	24,600	13,621	10,343	13,547	27,767	12,158	16,352	18,461
1976	13,233	15,534	30,113	27,618	24,846	29,577	24,734	13,761	11,270	14,043	27,000	12,542	16,822	17,919
1977	3,610	11,261	30,759	27,390	26,598	29,718	24,444	13,545	11,222	14,586	27,106	12,253	16,963	17,363
1978	16,169	10,491	31,138	27,067	27,507	29,994	24,768	13,364	12,022	14,769	26,382	11,949	16,916	18,538
1979	5,245	11,011	33,656	26,192	28,456	30,058	24,891	13,190	12,403	14,979	26,400	11,600	17,214	17,834
1980	4,850	8,647	34,901	25,532	26,966	28,904	24,466	12,441	11,856	14,485	25,417	11,193	16,651	17,148
1981	7,787	7,902	34,293	23,980	26,383	28,967	23,857	12,032	11,809	14,429	25,815	11,428	16,916	17,236
1982	5,763	7,147	33,600	23,315	26,436	29,736	23,337	11,865	10,942	14,258	25,752	11,654	17,802	16,772
1983	6,141	9,416	32,708	23,091	26,119	29,836	22,713	12,303	11,651	14,255	26,286	11,747	18,330	16,697
1984	1,205	10,096	30,448	21,386	25,298	29,813	22,609	12,327	11,422	14,412	27,000	11,439	18,341	16,338
1985	(2,632)	9,769	30,615	21,020	24,573	28,668	22,030	12,220	11,202	14,163	27,294	11,383	18,555	16,734
1986	7,291	9,046	29,960	20,462	24,170	28,036	21,675	11,854	11,629	14,071	26,323	11,671	18,211	16,146
1987	9,372	10,859	28,940	18,865	23,667	27,894	21,280	11,139	11,781	13,845	26,237	11,676	18,108	15,919
1988	3,634	9,038	30,220	18,778	22,934	27,008	21,122	11,060	11,314	13,718	27,006	11,763	17,562	15,236
1989	14,433	9,002	30,198	18,833	22,605	26,886	20,798	11,019	10,522	13,784	26,078	11,917	17,000	15,830
1990	10,761	9,415	28,592	18,504	21,885	26,694	20,648	10,689	11,013	13,523	26,106	11,843	16,683	15,307
1991	15,301	9,825	30,880	17,733	21,959	26,675	20,281	10,406	11,248	13,418	27,358	12,461	16,938	15,689
1992	11,617	11,243	30,800	18,282	22,092	26,930	20,748	10,642	12,151	14,004	27,896	12,164	16,969	15,707
1993	20,911	10,857	31,156	18,968	22,256	26,990	20,979	10,679	12,388	14,453	28,527	12,926	17,334	16,542
1994	11,766	10,781	31,770	19,378	22,005	26,739	21,082	10,562	12,371	14,612	29,361	12,931	17,244	15,982

Together, retail and service employment currently exceed 47 percent of all employment in Montana. However, these two sectors produce only about 38 percent of wage dollars earned in the state. In fact, both sectors offer an average wage well below Montana's 1994 average real wage of $15,982: $10,562 and $14,612, respectively. This lower wage "mix effect" helps to explain why Montana's current average earnings per job are lower than the 1969 average wage of $16,390. This, and all industry wage levels are presented in Table 3. While average employee earnings from all of Montana's industries peaked in 1973 ($19,863 in real 1987 dollars) earnings have seen a significant slide since then, a rate decline of over 1 percent per year (1973 through 1994).

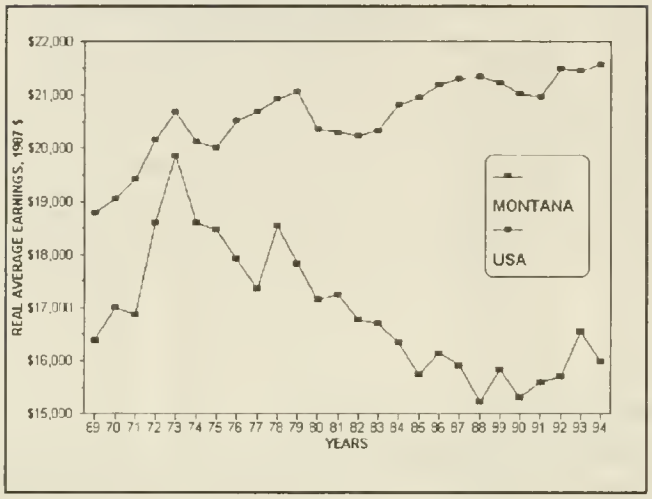
Annual earnings in agriculture are very dependent upon weather influences and world market conditions; consequently, those earnings tend to swing wildly. In 1994 the average agricultural job paid only $11,766 in real 1987 dollars. Manufacturing has gained little over the last twenty-five years, rising in real terms from $21,026 to just $22,005. Mining and federal civilian earnings have both grown in a healthy fashion, though not enough to offset job losses, with mining rising 1.4 percent per year (to $31,770) and federal civilian employees averaging $29,361 per employee. Other sectors of the economic picture have languished too. Agriculture, forestry, and fishery services, along with construction and wholesale and retail trade have all fallen in real terms over the period. Retail employment pays the least, on average, with an annual real salary of just $10,562 in 1994. Overall, Montana's average real wage has been growing at -.10 percent per year. This means that while the nation's average real wages per job are expanding over time, rising to $21,565 in 1994, Montana's relative wage rate is weakening, and falling in real terms. Diagram 3, on the following page, displays the historic relationship between Montana and the US average wage rates.

Nevertheless, the evidence of the last five years suggests that an economic expansion is underway for Montana, even though the wage levels associated with some of the employment sectors are rather low. Significantly, Montana's unemployment rates have been easing over the last two or three years. Table 4, at right, presents unemployment rates

TABLE 4
ANNUAL AVERAGE UNEMPLOYMENT
1995 BENCHMARK RATES

AREA NAME	1990	1991	1992	1993	1994
Beaverhead County	4.9	6.3	6.4	5.6	3.7
Big Horn County	12.1	11.2	14.2	12.5	11.7
Blaine County	8.8	9.4	8.8	9.3	7.4
Broadwater County	4.5	4.6	5.3	4.3	3.8
Carbon County	4.1	6.3	5.2	5.9	5.5
Carter County	2.2	3.0	2.0	3.4	3.5
Cascade County	5.2	5.9	6.3	6.2	4.9
Chouteau County	2.7	3.7	2.7	2.4	3.3
Custer County	4.6	5.5	5.3	5.3	3.8
Daniels County	2.8	2.6	2.2	1.7	2.1
Dawson County	3.8	4.0	3.8	3.7	2.8
Deer Lodge County	8.9	10.2	10.0	9.0	7.1
Fallon County	2.3	3.4	3.5	4.4	3.1
Fergus County	5.6	7.8	6.6	6.0	4.8
Flathead County	7.3	8.9	8.1	7.3	6.7
Gallatin County	4.5	5.2	5.0	4.4	2.3
Garfield County	2.1	1.8	1.9	2.0	3.8
Glacier County	11.6	11.1	13.8	11.9	11.6
Golden Valley County	3.0	12.9	11.4	5.6	7.5
Granite County	8.2	8.6	8.0	8.2	6.4
Hill County	5.7	6.9	6.6	6.4	5.4
Jefferson County	4.8	6.0	5.3	4.9	3.7
Judith Basin County	3.7	4.8	5.8	4.2	4.5
Lake County	8.7	9.5	9.5	8.5	7.2
Lewis and Clark County	4.4	5.6	5.5	5.2	4.1
Liberty County	1.7	1.9	2.4	2.5	2.5
Lincoln County	11.2	15.0	13.1	14.4	13.6
Madison County	3.4	3.6	3.6	3.3	2.6
McCone County	3.1	4.6	4.8	4.0	4.8
Meagher County	3.4	4.8	5.5	5.9	5.3
Mineral County	8.0	9.5	9.6	9.3	9.1
Missoula County	5.6	7.2	6.4	5.7	4.5
Musselshell County	7.1	8.4	8.1	6.6	6.6
Park County	5.6	6.8	6.2	4.6	4.0
Petroleum County	3.0	6.0	7.0	6.6	5.0
Phillips County	4.8	4.8	5.6	4.4	3.4
Pondera County	4.0	4.3	5.3	3.7	3.3
Powder River County	1.8	3.4	3.0	2.5	2.1
Powell County	4.7	7.0	6.9	8.9	7.7
Prairie County	3.9	3.4	4.0	4.0	3.9
Ravalli County	8.1	10.5	9.0	8.8	6.1
Richland County	5.7	7.2	7.2	6.8	5.4
Roosevelt County	10.1	11.1	11.5	9.0	8.9
Rosebud County	6.8	7.2	8.2	7.8	7.0
Sanders County	10.3	14.0	12.2	11.8	10.8
Sheridan County	2.6	2.5	2.5	1.6	1.6
Silver Bow County	6.4	7.7	7.5	6.7	5.1
Stillwater County	3.7	8.3	6.3	4.2	4.2
Sweet Grass County	2.2	3.9	3.0	2.7	2.7
Teton County	3.0	4.0	3.2	2.4	2.9
Toole County	3.1	4.4	3.9	4.1	4.2
Treasure County	3.4	3.3	5.8	3.7	3.2
Valley County	4.3	5.2	5.6	4.7	3.8
Wheatland County	4.4	5.6	4.8	4.6	4.5
Wibaux County	2.6	6.5	6.1	3.7	5.0
Yellowstone County	4.9	5.3	5.4	4.9	4.0
Montana	5.8	6.9	6.7	6.0	5.1

DIAGRAM 3
MONTANA VS USA AVERAGE EARNINGS



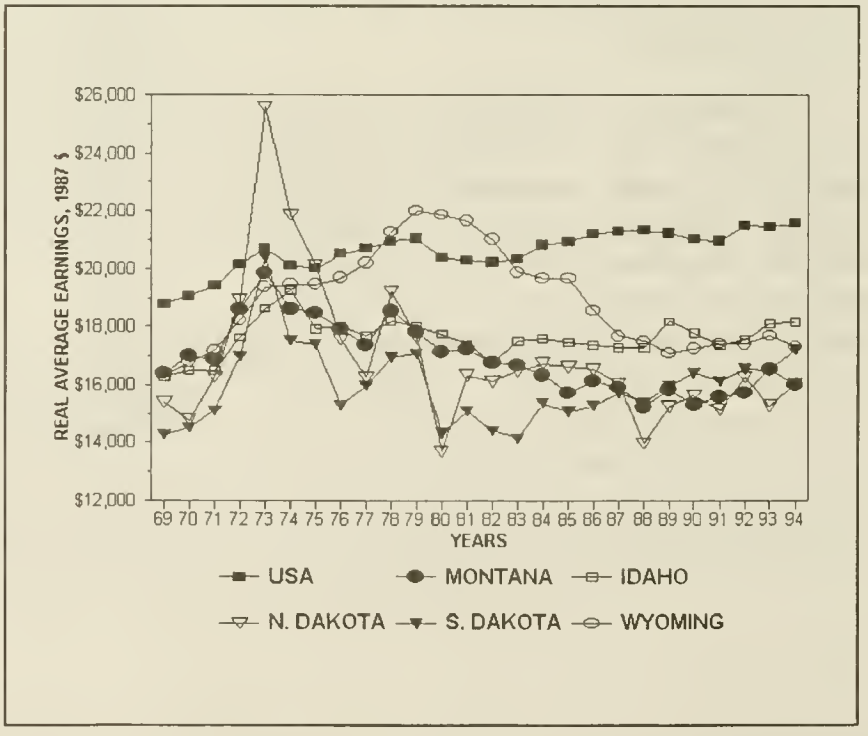
in each of Montana's counties, as well as the entire state. Some areas of the state appear fixed in a protracted state of high unemployment, such as Big Horn, Glacier, Lincoln, and Sanders Counties which all have double-digit unemployment rates. The rates for 1994 were 11.7, 11.6, 13.6, and 10.8 percent, respectively. But other areas of the State are experiencing solid growth. Gallatin's unemployment rate, which was 5.2 percent in 1991 is now a stunning 2.3 percent. The natural unemployment rate is about 4 percent, under which (with increases in the demand for labor) wages begin to be bid upwards. Overall, the State's unemployment rates have fallen since the peak rate of 6.9 percent in 1991. In 1994, Montana's overall unemployment rate was a relatively low 5.1 percent.

SUMMARY

What is happening in Montana appears to be occurring throughout the region. Montana's neighboring states--Idaho, North Dakota, South Dakota, and Wyoming--have experienced structural changes and stresses to their economies that are similar to Montana's, but most have demonstrated resilience and gritty determination to compete in regional, national, and global markets. Those states which have moved towards economic diversification have fared the best under the challenging new economic conditions.

All states in the region have experienced declines or stagnation in employment in their economies over the years and appear to have put their

DIAGRAM 4
AVERAGE WAGE RATES IN USA AND REGION



past economic failures behind them and are currently marching toward a brighter future. Nevertheless, recent history of the area economies should serve as an important reminder for Montana. When a state's economy depends too heavily upon only one or two sectors, downturns in those sectors can be devastating. Diversification helps to ensure the long-term health of a state economy.

For a more detailed explanation of the region states of Idaho, North Dakota, South Dakota, and Wyoming, please refer to the *Economic and Demographic Analysis of Montana and Economic Benefits of MDOC Housing and Infrastructure Program Activities.*[3]

COMPARATIVE ADVANTAGE LOCATION QUOTIENTS

Trends in the traditional industrial sectors provide one measure of a state's economic health. Location quotients provide a second measure. *Location quotients* quantify a state's or region's comparative advantage in a particular economic sector. The quotients are calculated by dividing one state's market share of employment in a particular sector by the nation's share. The resulting ratio is taken as indicative of comparative advantage, or the likelihood that favorable conditions exist for a particular industry in the area. Comparative advantage may be the result of several factors, including skilled labor in a particular industry, favorable business climate, available infrastructure, or proximity to raw materials. A state enjoying a comparative advantage in a particular industry will likely see the emergence of a well-developed set of inter- and intra-industry linkages in response to increased demand for business services in the particular industry. When a state has a location quotient greater than 1.0 for a particular sector, it usually has an advantage over other areas, since a greater share of employment activity exists there than elsewhere. Wherever location quotients are less than one, there is probably no comparative advantage. The following discussion continues with the regional context, analyzing comparative advantage for the five states. It then looks more closely at Montana's individual industries within major Industry Divisions.[4]

The 1994 location quotients for each state in the region are presented in Table 5, as they pertain to each of the ten Industry Divisions.

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[3] A copy of this document maybe obtained through the Montana Department of Commerce Census and Economic Information Center.

[4] Industry Divisions herein described roughly pertain to Standard Industrial Classification Divisions, with the exception that Division A, agriculture, is split into two categories and Division J, public administration, is excluded.

TABLE 5
MONTANA AND SURROUNDING STATES
COMPARISON OF 1994 LOCATION QUOTIENTS
MAJOR INDUSTRY DIVISIONS

SECTOR	MONTANA	IDAHO	N. DAKOTA	S. DAKOTA	WYOMING
Farming	2.802	2.631	4.637	4.205	2.014
Ag, Forestry, Fishery Services	1.436	2.182	1.043	1.181	1.384
Mining	2.174	0.764	1.613	0.951	10.596
Construction	1.062	1.457	0.933	0.967	1.313
Manufacturing	0.436	0.912	0.418	0.756	0.300
Trans, Communicate, Utilities	1.102	0.910	1.144	0.922	1.149
Wholesale Trade	0.861	0.970	1.126	0.972	0.590
Retail Trade	1.161	1.041	1.024	1.071	1.093
Finance, Insurance, Real Estate	0.814	0.848	0.778	0.855	0.813
Services	0.954	0.810	0.895	0.866	0.799

These data are quite interesting. While several of the region's economic sectors discussed previously are having some difficulty, they appear better off than similar industries nationwide. For example, agricultural employment has undergone a long slide, but it still remains a strong economic sector when compared to the nation. This is also true for mining in most of the region (except Idaho and South Dakota).

Relative to the nation, Montana currently enjoys a comparative advantage in those sectors with location quotients greater than 1.0. Particularly strong are Montana's traditional industries of farming and mining, with location quotients of 2.80 and 2.17, respectively. But construction also holds a greater share of total employment in Montana than in the nation.

With location quotients greater than the national norm, construction is expanding at a faster rate in Montana than in the nation. Construction in Idaho and Wyoming is also growing faster than the national rate. In addition, all five states have a larger portion of their total employment base devoted to retail trade than does the nation as a whole. This implies the presence of a regionally significant tourism base. Montana also enjoys comparative advantage in agriculture-fisheries-forestry services (AFF), which implies significant employment in non-federal resource management activities, and in transportation-communications-and-public utilities (TCPU), which indicates export of electricity and oil-based products, via pipelines, along with relatively greater activity in rail transport.

On the other hand, there is no comparative advantage in the manufacturing sector regionally. This condition implies that, absent significant manufacturing infrastructure development (i.e., services, skilled labor, intra-industry linkages), expanding the manufacturing sector will be an upward battle.

INDUSTRY COMPARATIVE ADVANTAGE

As the preceding discussion implies, significant changes are affecting Montana's comparative advantage. The following narrative demonstrates the degree to which each of the ten industry Divisions has been affected over the last twenty-five years.

Diagram 5, depicts changes in Montana's farming location quotient from 1969 to the present. This sector always has been and will likely continue to be an important export sector. However, its comparative position depends upon crops and livestock raised as well as market and weather influences. The location quotient for this sector rose from 1977 through 1990 but has trailed off over the last four years.

DIAGRAM 5
LOCATION QUOTIENT
MONTANA FARMING SECTOR

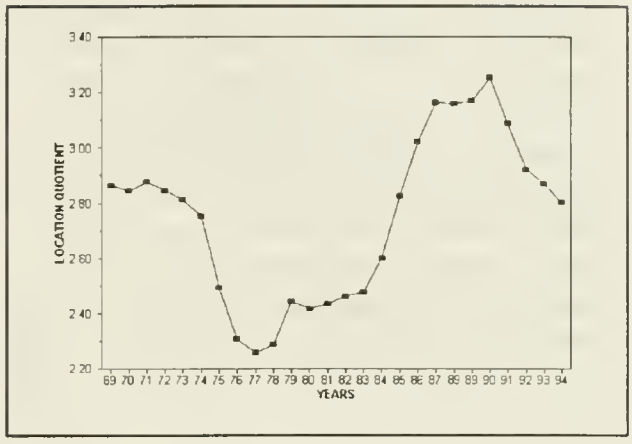


Diagram 6, presents the historic trends evident in the AFF sector, or agriculture-forestry-fishery services. Over the last 15 years, this sector has seen some resurgence in relative importance. The category is comprised of the following types of employment activities: soil preparation, crop planting and harvesting, veterinary services, farm labor and management services, landscape and horticultural services, forest nurseries, other forestry services, fish hatcheries, and hunting, trapping, and game propagation. Since each of these activities emphasizes increased management of currently scare raw material, or natural resources, it is no surprise that the relative advantage for employment opportunities is rising. However, in the last few years, the intensity of management activities has remained relatively constant.

DIAGRAM 6
LOCATION QUOTIENT
MONTANA AFF SERVICES SECTOR

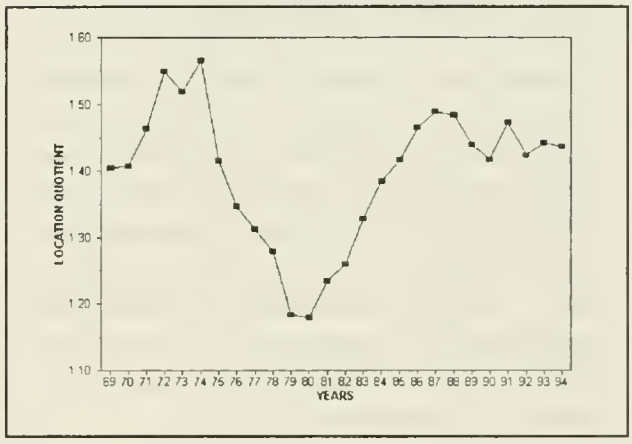


Diagram 7, at right, presents the historic trends in Montana's mining industry. The large amplitude in this series is indicative of a highly cyclical industry. The general downward trend indicates that the relative importance of this particular sector is waning and will likely continue to do so. This sector includes metal and nonmetallic mineral mining, coal mining, and oil and gas extraction.

DIAGRAM 7
LOCATION QUOTIENT
MONTANA MINING SECTOR

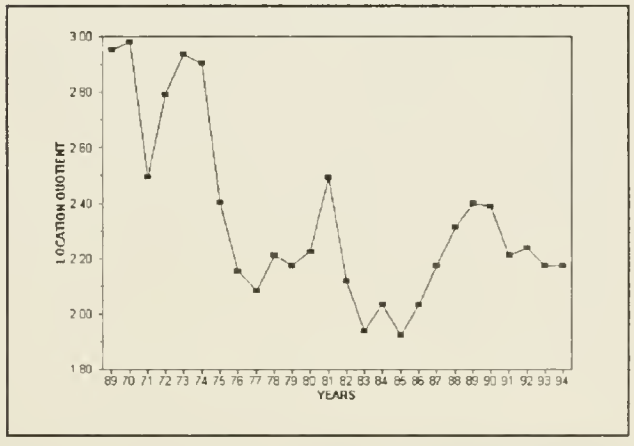


Diagram 8 presents the historic trends evident in Montana's construction industries. A period of relative economic expansion occurred from 1969 through about 1977. The next ten years saw construction decline relative to national construction activity. A period of relative calm existed between 1987 and 1990; since 1990, however, a sharp rise in construction activity relative to the nation has occurred. This rise is representative of the general level of recent expansion in the state.

DIAGRAM 8
LOCATION QUOTIENT
MONTANA CONSTRUCTION SECTOR

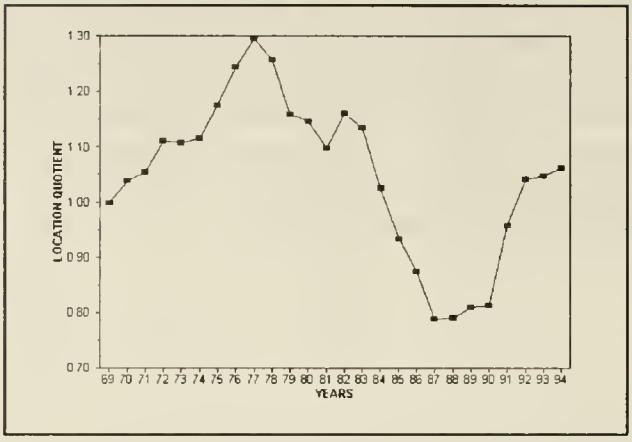
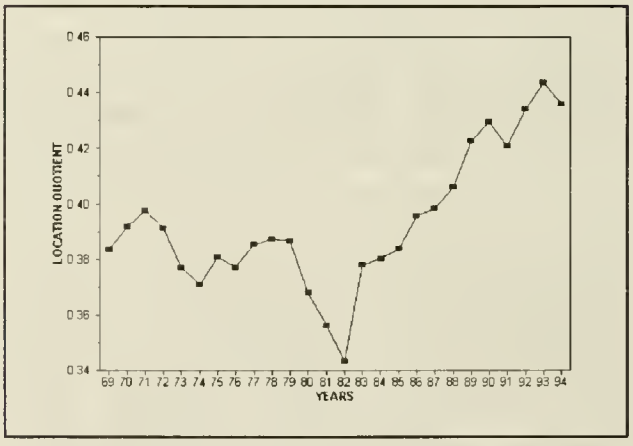


Diagram 9 presents the relative trends seen in the manufacturing sector. While the 1994 location quotient is significantly below 1, indicating that the sector is unlikely to have an industry-wide comparative advantage, it is worth noting that the sector has been rising steadily since 1982. Recall that between 1979 and 1982 the lumber and wood products industry dragged the state's entire manufacturing sector down. Although the outlook for lumber and wood products is somewhat dim, the current trend is for continued rising activity in Montana's manufacturing sector.

DIAGRAM 9
LOCATION QUOTIENT
MONTANA MANUFACTURING SECTOR



Transportation, Communication, and Public Utilities (TCPU) are presented in Diagram 10. While the comparative advantage relative to the nation is above 1, current trends do not appear promising. The location quotient has fallen from a high of about 1.35 in 1980 to about 1.1 in 1994, nearly a 20 percent drop. Industries within this division include rail transportation, trucking, warehousing, pipelines, air transportation, communication, and electric, gas, and sanitary services (water and sewer supply systems are included). This category includes infrastructure investment.

DIAGRAM 10
LOCATION QUOTIENT
MONTANA TCPU SECTOR

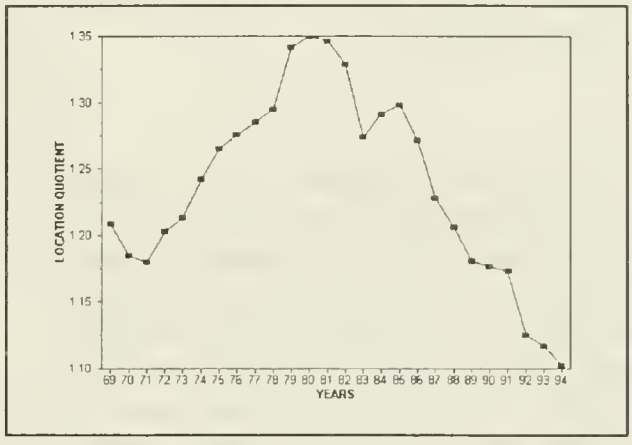


Diagram 11 presents the location quotient for Montana's wholesale trade sector. Between 1974 and 1988, the sector enjoyed a relatively higher quotient. However, no comparative advantage existed. Today, the data indicates that these values have returned to their long-term growth trend, showing a slight increase over time.

DIAGRAM 11
LOCATION QUOTIENT
MONTANA WHOLESALE TRADE SECTOR

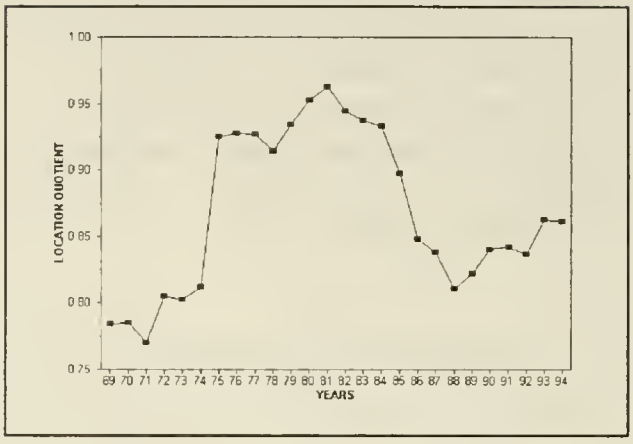


Diagram 12 presents the same concepts for the Montana retail trade sector. As one would expect, this sector appears to reflect business cycle activity, with declines in 1974-75 and 1979-81. During the mid 1980's when retail activity was expanding nationally, Montana's retail sector did not keep pace; in a relative sense, Montana's share declined. However, since the 1990 upturn in Montana, the retail sector has been rising appreciably. Throughout the twenty-five year analysis period, the location quotient has always been above 1. This means that this sector is responsible for significant numbers of jobs, thanks largely to tourism. Unfortunately, the retail segment has the lowest wage rates of all industries, as noted earlier in this document.

DIAGRAM 12
LOCATION QUOTIENT
MONTANA RETAIL TRADE SECTOR

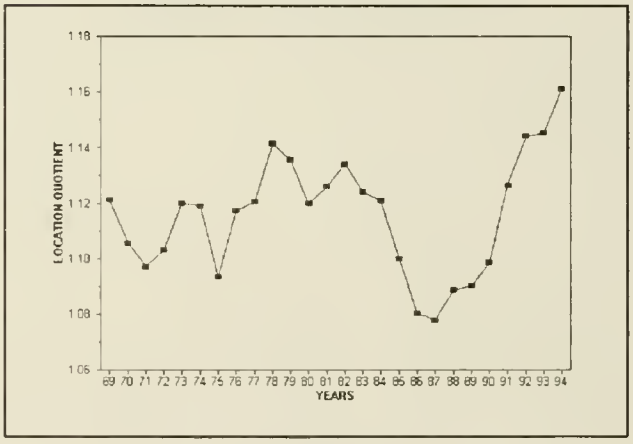


Diagram 13 presents data pertinent to the Finance, Insurance, and Real Estate (FIRE) sector. In 1969, employment in this sector could be equated with the national level of activity. However, such advantages disappeared quickly, and the sector appears to have maintained a constant rate of loss in relation to the national trends in employment. It is reasonable to assume that this sector will continue to decline.

DIAGRAM 13
LOCATION QUOTIENT
MONTANA FIRE SECTOR

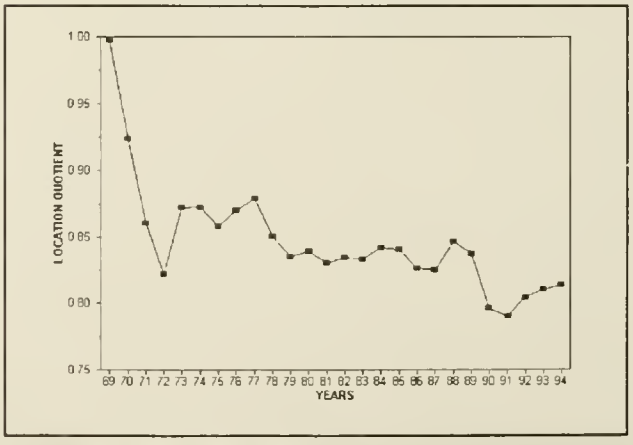
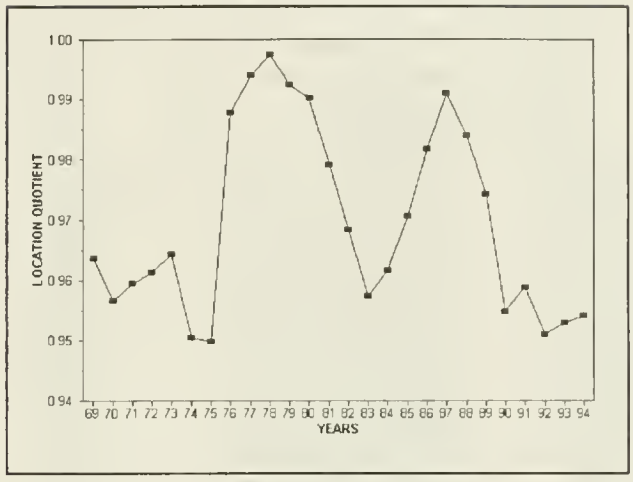


Diagram 14, depicts Montana's comparative advantage in the services sector. Even more dramatically than the retail sector, the services sector follows a cyclical trend. The amplitude of the data swings wildly in periods of recession, such as in 1974-75 and 1981. The sector declined steadily again until 1990, when signs of improvement began appearing.

DIAGRAM 14
LOCATION QUOTIENT
MONTANA SERVICES SECTOR



From the standpoint of location quotients, then, Montana's traditional industries do not appear quite so ill equipped. While Montana has indeed lost a portion of its traditional industrial base, it has managed to expand in other areas and to retain a greater share of its remaining industrial base than the national economy has retained.

While somewhat beyond the scope of analysis for this report and subsequent analysis, Table 6, on the following page, presents the 1994 location quotients for 73 separate industrial classifications. The table usefully reveals each state's degree of dependence upon individual specialized industries.[3] For example, the table shows that Wyoming's dependence upon the highly cyclical mining industry is more precisely a dependence upon coal mining and nonmetallic mineral extraction activities. It also shows that Idaho, the state with the most diverse economy, the strongest growth rates, and the highest wage rates does not have location quotients unevenly concentrated in any one industry category.

[3]Those data represented by a "(D)" are considered by the BEA to fall under disclosure guidelines and data can not be released.

TABLE 6
REGIONAL LOCATION QUOTIENTS
1994

SIC Code	Industry	Montana	Idaho	N. Dakota	S. Dakota	Wyoming
SIC 01 & 02	Agriculture: crops & livestock	2.8025	2.6310	4.6366	4.2046	2.0141
SIC 07	Agricultural Services	1.4213	2.2156	1.1264	1.2705	1.4186
SIC 08	Forestry Services	3.4668	5.0994	0.4690	0.5579	1.4559
SIC 09	Hunting and Fishing	0.7978	0.5116	0.1311	0.2121	0.8753
SIC 10	Metal Mining	12.8447	6.1348	0.0831	8.4351	5.6613
SIC 12	Coal Mining	2.7350	0.0154	3.2601	(D)	19.5027
SIC 13	Oil and Gas Extraction	1.1213	0.1144	1.3966	(D)	8.2339
SIC 14	Nonmetallic Minerals, except Fuels	2.2143	2.5756	1.8934	2.3929	17.3240
SIC 15	General Building Contractors	1.2664	1.4321	0.9851	1.0670	1.4121
SIC 16	Heavy Construction Contractors	1.6059	1.9541	1.3676	1.2593	2.5343
SIC 17	Special Trades Contractors	0.9011	1.3823	0.8425	0.8846	1.0747
SIC 20	Food and Kindred Products	0.4735	2.3949	1.0610	1.5569	0.3236
SIC 21	Tobacco Products	0.0000	0.0525	0.0000	0.0000	0.0000
SIC 22	Textile Mill Products	(D)	0.0146	(D)	0.0212	(D)
SIC 23	Apparel and Other Textile Products	(D)	0.2297	0.3175	(D)	0.1435
SIC 24	Lumber and Wood Products	3.2908	4.5208	0.2913	1.1695	1.0965
SIC 25	Furniture and Fixtures	0.4217	0.5467	0.6025	0.2408	0.1862
SIC 26	Paper and Allied Products	0.3399	0.7311	(D)	(D)	(D)
SIC 27	Printing and Publishing	0.6076	0.7369	0.6063	0.6579	0.5747
SIC 28	Chemicals and Allied Products	0.1923	0.8677	0.0728	0.0615	0.4472
SIC 29	Petroleum and Coal Products	1.7167	0.0335	0.5962	0.0000	2.8875
SIC 30	Rubber and Misc. Plastics Products	0.0942	0.2674	0.2418	0.5297	0.1486
SIC 31	Leather and Leather Products	(D)	0.6789	0.1458	0.2106	0.5148
SIC 32	Stone, Clay, and Glass Products	0.6307	0.6148	0.4417	0.5712	0.6823
SIC 33	Primary Metal Industries	0.4080	0.0793	0.0311	0.3790	0.2116
SIC 34	Fabricated Metal Products	0.1831	0.4354	0.3064	0.3874	0.2053
SIC 35	Machinery and computer Equipment	0.1741	1.0809	0.7336	1.6850	0.2903
SIC 36	Electronic Equipment, Exc. Computers	0.0515	1.0603	0.3492	0.8138	0.0563
SIC 37	Transportation Equipment	0.0912	0.2351	0.3863	0.3653	0.0763
SIC 38	Instruments and Related Products	0.1130	0.1346	0.0313	0.7526	0.0679
SIC 39	Miscellaneous Manufacturing	1.2769	0.5877	0.4655	2.0783	0.2941
SIC 40	Railroad Transportation	4.1859	1.7671	3.0069	0.5341	4.9902
SIC 41	Local and Interurban Passenger Transit	1.0558	0.5974	0.8457	0.8311	0.6519
SIC 42	Trucking and Warehousing	1.1463	1.2519	1.2708	1.4662	1.1641
SIC 44	Water Transportation	0.0958	0.3658	0.0491	0.0802	0.1337
SIC 45	Transportation by Air	0.5269	0.4854	0.3312	0.2699	0.4035
SIC 46	Pipelines, Except Natural Gas	1.2395	0.3673	2.2875	0.8356	5.6033
SIC 47	Transportation Services	0.8703	0.5960	0.8538	0.4373	0.7257
SIC 48	Communications	0.8010	0.6337	0.9276	0.7886	0.7623
SIC 49	Electric, Gas, & Sanitary Services	1.4131	1.0061	1.8028	0.8506	1.8566
SIC 50 & 51	Wholesale Trade	0.8613	0.9698	1.1263	0.9716	0.5900
SIC 52	Building Materials and Garden Equipment	1.3911	1.4431	1.1792	1.2504	1.0109
SIC 53	General Merchandise Stores	0.9579	0.8752	1.0448	1.0492	0.9779
SIC 54	Food Stores	0.9478	0.9838	0.8191	0.9004	0.7776
SIC 55	Automotive Dealers and Service Stations	1.4495	1.3415	1.3527	1.3989	1.6671
SIC 56	Apparel and Accessory Stores	0.7019	0.7048	0.7561	0.6724	0.7352
SIC 57	Home Furniture and Furnishings Stores	1.0392	1.0641	0.8653	0.9097	0.8036
SIC 58	Eating and Drinking Establishments	1.2413	1.0071	1.0396	1.0399	1.1290
SIC 59	Miscellaneous Retail	1.2726	1.0927	1.0533	1.2072	1.2263
SIC 60	Depository and Nondepository Credit Inst.	0.7710	0.7505	0.8780	1.2803	0.6561
SIC 62	Security and Commodity Brokers & Services	0.5039	0.3681	0.4655	0.4657	0.4237
SIC 63	Insurance Carriers	0.4129	0.5488	0.6692	0.4926	0.4295
SIC 64	Insurance Agents, Brokers, and Services	1.0877	1.0177	1.1296	1.3525	0.8978
SIC 65	Real Estate	0.9295	0.9884	0.7634	0.6712	1.0442
SIC 67	Holding and Other Investment Companies	0.9559	1.1661	0.3917	0.5108	1.1237
SIC 70	Hotels and Other Lodging Places	1.6465	1.0774	1.0640	1.3229	2.6245
SIC 72	Personal Services	0.9460	0.9144	0.9986	0.9417	1.0286
SIC 73	Business Services	0.6429	0.6925	0.5582	0.5386	0.5998
SIC 75	Auto Repair, Services, and Parking	1.2670	1.1720	0.9075	0.9629	1.1172
SIC 76	Miscellaneous Repair Services	1.3548	1.2958	1.0334	1.2789	1.4803
SIC 78	Motion Pictures	0.8957	0.7262	0.5709	0.6716	0.8900
SIC 79	Amusement and Recreational Services	1.3186	0.9415	1.0756	1.2535	0.9701
SIC 80	Health Services	1.0134	0.7035	1.1814	1.0616	0.5200
SIC 81	Legal Services	0.8155	0.6372	0.5856	0.5610	0.7274
SIC 82	Educational Services	0.6233	0.6826	0.6122	0.7880	0.3783
SIC 83	Social Services	1.1523	0.8263	1.4330	0.9591	1.0800
SIC 84	Museums, Botanical, Zoological Gardens	0.7786	0.1825	0.7089	0.7339	1.5464
SIC 86	Membership Organizations	1.1823	0.6846	1.3384	1.3020	0.7559
SIC 87	Engineering and Management Services	0.8164	1.0629	0.4710	0.4425	0.7095
SIC 88	Private Household Employment	0.8656	0.6796	0.6785	0.7305	0.7473
SIC 89	Miscellaneous Services	1.3291	1.6542	1.2177	1.2859	1.8658
SIC 43, 90-96	Federal Civilian Employment	1.3220	0.9853	1.1232	1.1841	1.1892
SIC 97	Federal Military Employment	1.2468	0.9607	2.2967	1.3503	1.3627

Table 7 takes the Montana location quotients that are greater than 1 and ranks them by size. Many of the traditional industrial sector industries appear at the top, i.e., metal mining, lumber and wood products, and coal mining. This single year "snapshot" provides no guarantee of long-term health, only relative current position.[4] Together these industries represent most two-digit industrial sectors that have net export activity for the state of Montana.

TABLE 7
MONTANA'S EXPORT INDUSTRIES
RANKED BY INDUSTRY INTENSITY
1994

SIC Code	Industry	Location Quotient
SIC 10	Metal Mining	12.8447
SIC 40	Railroad Transportation	4.1859
SIC 08	Forestry Services	3.4668
SIC 24	Lumber and Wood Products	3.2908
SIC 02	Agriculture: Crops & Livestock	2.8025
SIC 12	Coal Mining	2.7360
SIC 14	Nonmetallic Minerals, exc. Fuels	2.2143
SIC 29	Petroleum and Coal Products	1.7167
SIC 70	Hotels & Other Lodging Places	1.6466
SIC 16	Heavy Construction Contractors	1.6059
SIC 55	Automotive Dealers & Service Stations	1.4496
SIC 07	Agricultural Services	1.4213
SIC 49	Electric, Gas, & Sanitary Services	1.4131
SIC 52	Building Materials and Garden Equipment	1.3911
SIC 76	Miscellaneous Repair Services	1.3648
SIC 89	Miscellaneous Services	1.3291
SIC 43, 90-96	Federal Civilian Employment	1.3220
SIC 79	Amusement and Recreational Services	1.3186
SIC 39	Miscellaneous Manufacturing	1.2769
SIC 59	Miscellaneous Retail	1.2726
SIC 75	Auto Repair, Services, and Parking	1.2670
SIC 15	General Building Contractors	1.2664
SIC 97	Federal Military Employment	1.2468
SIC 58	Eating and Drinking Establishments	1.2413
SIC 46	Pipelines, except Natural Gas	1.2396
SIC 86	Membership Organizations	1.1823
SIC 83	Social Services	1.1523
SIC 42	Trucking and Warehousing	1.1463
SIC 13	Oil and Gas Extraction	1.1213
SIC 64	Insurance Agents, Brokers, and Services	1.0877
SIC 41	Local and Interurban Passenger Transit	1.0568
SIC 57	Home Furniture and Furnishings Stores	1.0392
SIC 80	Health Services	1.0134

SUMMARY

Historically, Montana's economy has depended on relatively few resource-based industries. This dependence has caused wide swings in employment opportunity during times of normal business cycle fluctuation. Concurrently, Montana's resource base has been growing increasingly scarce, causing long-term decay in resource-based industrial output. Changes in national and global markets are continuing to pressure Montana's margins in these industries. As a consequence of these conditions, Montana's economy has seen a general state of decline until 1990. While traditional resource-based industries are not better off, development is occurring in other areas with greater opportunity and potential.

Employment is rising, unemployment is falling, and more basic income is staying in the state, generating more economic opportunity than before. Unfortunately, average wage rates have not yet experienced significant rises. Economic theory suggests that with falling unemployment rates and rising employment rates, a tightening in the labor market should soon occur, thereby bidding up wage rates. There is as yet no conclusive evidence that wages have begun to rise.

During the last four years, Montana's population has increased at some of the fastest rates seen in twenty-five years. Such growth has placed significant pressure on the supply of affordable

[4]Federal civilian and military employment are included for reference purposes only. Both sectors are considered 100 percent basic sector employment.

housing, and the rate of growth in the housing stock is not matching the rate of change in the population.

Concurrent with the rising cost of housing is the rising level of poverty in the state. Examination of households and recipients receiving food stamps indicates that poverty may be surpassing the rate reported in 1990, when 15.6 percent of the population was below the poverty line.

B. ECONOMIC BENEFITS MDOC HOUSING AND INFRASTRUCTURE PROGRAMS

The economic benefits analysis conducted herein takes the form of an economic impact assessment, measuring both direct and indirect programmatic effects by type of expenditure, particularly as they relate to Section 8, the Montana Board of Housing, the Low Income Housing Tax Credit, HOME, and the Community Development Block Grant Programs. Economic impact analysis is a useful tool for assessing both the positive and the negative outcomes of particular events in an economy, such as industrial facility citings, specific public policy changes, or discrete changes in taxation. Four indicators are examined in assessing the economic benefits of the MDOC program actions. These indicators are employment, income, income taxes, and residential property taxes.

OVERVIEW OF METHODOLOGY

The economic health of an area is dependent upon the vitality of its basic industries, those economic sectors that cause income to flow into the area due to export of a good or service. Basic activity also includes the transfer of government or retirement funds into the state. The analysis presented herein examines in detail this second type of basic activity; federal program funds that flow into the state and are expended for project activities contribute to the formation of basic income. For example, when a HOME or CDBG project expends funds to build a house, workers are considered basic sector employees, as is their income, which in turn generates non-basic employment and income effects. Both the basic worker and non-basic worker pay income taxes, and the housing unit that was constructed pays residential real estate taxes. In the case of a facility constructed for a public entity or non-profit agency, fees are paid in lieu of taxes. This analysis also assumes that Montana Board of Housing Funds act in a fashion similar to infusions of funds by out-of-state entities.[5]

The economic impact analysis uses established methods and techniques to quantify effects associated with measurable economic stimuli. There are two approaches used in assessing economic impacts: the economic base and the input/output (I/O) model. Both models are designed to predict

[5]This analysis does not currently consider the future economic effects of bond replacement to in-state or out-of-state bond holders, only the initial impacts associated with expenditures of bond proceeds.

changes in the economy resulting from a particular stimuli.[6] However, the economic base model is better able to adapt to the more dynamic changes in an economy that is undergoing structural change, as is Montana's economy. On the other hand, the I/O formulation has a greater capacity for detail in the model structure; this type of model has the ability to trace interindustry transactions or dollar flows, such as those related to single-family rehabilitation or construction of water and sewer systems.

The formulation of the economic benefits model presented herein borrows from the I/O formulation the interindustry transactions approach by using estimates of construction payroll per employee and expenditures per employee, by specific types of housing or infrastructure projects. From such relationships, basic income and basic employment data are computed. Then, estimates of the non-basic income and employment can be derived. Montana Adjusted Gross Income (MAGI) tax payments by income category are then applied to each type of job and the respective earnings level to develop income tax estimates. Further, effective property tax rates for residential property are applied to the expenditures, by type of housing project, to develop estimates of the property taxes paid. The following discussion presents each of these issues in greater detail and then presents the findings.

PROGRAM EXPENDITURES

A wide variety of housing and infrastructure program activity was evaluated for this analysis. This is because program expenditures per employee and employee salaries differ significantly among different categories of expenditure. The categories of expenditure considered are presented below.

New Construction of Single Family Dwellings
Acquisition and Rehabilitation of Single Family Dwellings
New Construction of Multi-family Dwellings
Acquisition and Rehabilitation of Multi-family Dwellings
Tenant Based Rental Assistance (Certificates, Vouchers, Other)
Repair, Replacement, and Maintenance of Sewer Systems
Repair, Replacement, and Maintenance of Water Systems
Repair, Replacement, and Maintenance of Solid Waste Systems
Storm Water Drainage Improvements
Senior Centers, Construction and Rehabilitation
Residential Treatment & Other Health Related Facilities, Construction and Rehabilitation
Educational Facilities, such as Day Care Centers, Construction and Rehabilitation
All Other CDBG Expenditure Types Combined
All Program Administrative Fees, for Section 8, HOME, and CDBG

Some programs have unique or special assumptions about how to use the data in the analysis. The following tables present each of these program expenditure levels over the 1985 through 1995 period; the narratives address several of the assumption issues.

[6]While both are classed as conditional predictive models, there are significant differences between the two approaches. These differences are briefly discussed in the Technical Appendix.

Table 8, at right, presents program expenditures for MDOC's Section 8 Certificate and Voucher Program, as well as the Montana Board of Housing Single Family Loan Program. The Section 8 expenditures are true income transfers in that the payment is a rental subsidy, thereby increasing net disposable income. They are considered 100 percent basic income. This program is a significant player in the housing market, expending $13.4 million dollars in 1995. The column titled "Existing" refers to MBOH loans for existing housing units, as they pertain to acquisition (and perhaps some rehabilitation) of the unit. "New Cnstr" refers to newly constructed homes, and "Value" represents the value of the housing units for property tax purposes. The MBOH programs have been making the greatest expenditures by far, with over $73.5 million expended in 1995 alone, and nearly $480 million since 1985.

TABLE 8
PROGRAM EXPENDITURES
SECTION 8 AND MBOH
1985 THROUGH 1995

Fiscal Year	Section 8	MBOH Existing	MBOH New Cnstr	MBOH Value
1985	5,965,129	104,816,502	6,550,460	111,366,962
1986	7,491,607	60,701,824	12,519,513	73,221,337
1987	8,588,411	10,000,481	3,070,516	13,070,997
1988	9,585,419	34,270,340	4,669,683	38,940,023
1989	9,436,240	41,152,225	4,322,960	45,475,185
1990	10,690,950	30,610,207	2,803,663	33,413,870
1991	10,887,638	58,419,374	4,427,931	62,847,305
1992	11,789,171	43,106,635	2,734,525	45,841,160
1993	12,712,836	21,388,790	2,603,897	23,992,687
1994	14,997,607	16,903,573	907,662	17,811,235
1995	13,445,130	58,106,004	15,248,767	73,354,771

Table 9, at right, presents the CDBG program expenditures associated with residential rehabilitation and new construction.[7] For the purposes of the analysis presented herein, 100 percent of the new construction expenditures are considered equal to the market value of the housing. For the rehabilitation expenditures, 75 percent of the expenditure is assumed to translate to improved market value of the home, and is subject to property tax. The CDBG program contributed slightly over $1 million in 1994 toward housing development in Montana.

TABLE 9
CDBG HOUSING PROGRAM EXPENDITURES
1985 THROUGH 1995

Fiscal Year	New Res Housing	Res Rehab Housing	Admin Fees for Housing	Value of Housing
1985	NA	NA	NA	NA
1986	NA	NA	NA	NA
1987	NA	NA	NA	NA
1988	0	1,024,601	221,548	1,024,601
1989	0	750,000	133,700	750,000
1990	0	1,762,766	263,630	1,762,766
1991	0	1,013,678	182,495	1,013,678
1992	0	1,033,040	291,561	1,033,040
1993	87,884	41,017	270,366	128,901
1994	88,000	945,000	270,366	1,033,000
1995	NA	NA	NA	NA

[7]Data presented in this table is preliminary. CDBG funds have been expended over the entire period of analysis (1985 through 1995), but were not made available for this analysis. Further, estimates provided were incomplete, and assumed values were stipulated for the 1994 program year; all data is assumed to be single-family privately owned property. Annual totals are believed to under represent actual expenditures.

TABLE 10
HOME PROGRAM EXPENDITURES
1985 THROUGH 1995

Fiscal Year	New Constr MF	New Constr SF	Res Rehab MF	Res Rehab SF	Acq MF	Acq SF	TBRA	Value Public	Value Private	Value Non-Profit	Admin Fees	# Units
1992	0	530,643	7,000	2,726,445	66,507	0	0	0	3,264,088	66,507	350,940	205
1993	1,602,223	0	1,274,299	36,105	0	0	26,485	300,000	159,448	2,453,179	185,139	26
1994	33,337	266,097	97,861	0	0	0	9,497	0	362,968	33,337	167,606	11
1995	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Table 10, above, presents expenditure data for the HOME program. Note that the HOME program data does not go back to 1985; HOME was created by the 1990 Cranston-Gonzalez National Affordable Housing Act. Program funds for 1995 have not yet been spent. Here, data has been separated into multi-family and single-family structures, as well as new construction, rehabilitation, or acquisitions, tenant-based rental assistance (TBRA), and administrative fees. Program managers for the HOME program were able to identify whether funds were received by public, non-profit, or private entities, thereby enhancing the ability to accurately represent the property tax liability associated with the residential property. In 1993, the last year funds were fully expended by grantees, the HOME program expended nearly $3 million dollars toward affordable housing in Montana.

TABLE11
CDBG INFRASTRUCTURE PROGRAM EXPENDITURES
1985 THROUGH 1995

Fiscal Year	Resident Health Related	Sewer Systems	Water Systems	Solid Waste	Storm Sewers	Senior Centers	Education	All Other	Admin Fees
1985	NA	NA	NA	NA	NA	NA	NA	NA	NA
1986	NA	NA	NA	NA	NA	NA	NA	NA	NA
1987	NA	NA	NA	NA	NA	NA	NA	NA	NA
1988	123,255	1,301,106	639,364	0	0	0	0	0	155,332
1989	344,386	1,624,088	408,768	0	0	290,705	0	42,036	203,977
1990	155,755	661,426	0	346,973	0	174,375	174,375	348,750	140,126
1991	193,635	1,255,017	627,376	0	344,539	251,565	0	0	201,128
1992	168,737	635,806	426,344	0	0	0	0	0	92,647
1993	437,500	437,500	437,500	437,500	437,500	437,500	437,500	437,500	240,000
1994	437,500	437,500	437,500	437,500	437,500	437,500	437,500	437,500	240,000
1995	NA	NA	NA	NA	NA	NA	NA	NA	NA

Table 11, presents Community Development Block Grant Program infrastructure expenditures over the analysis period.[8] The facility types have been separated to identify the specific impacts associated with the program. In 1992, the last year for which CDBG reported expenditures (1993 and 1994 were estimated), the program expended $1.2 million in infrastructure projects.

TAX RATES

The economic benefits analysis incorporates current property and income tax rates in computing taxes paid to state and local government. Table 12, on the following page, presents several concepts used in defining the Statewide Average Effective Tax Rate on residential property.[9] For comparison and background information, four property classes are presented: residential, residential low income, mobile home, and mobile home low income. Low income households can get discounts on their property tax rates through two methods, a ceiling on assessed value and a sliding scale based on adjusted gross income. Households in these categories can feasibly pay as little as zero property tax, if they fulfill all requirements. For the purposes of the economic benefits analysis, all privately held property is assumed to be taxed at the residential class rate, with one exception.

Between 1985 and 1986, assessed valuations approximately doubled in Montana, thereby altering the effective tax rate. The restructuring of assessed values was intended to realign them more closely with the market values. Therefore, the 1985 property tax rates use one half of the market value.

An interesting note regarding property tax rates is that while certain types of government entities, whether state, county or local have had significant changes in average mill levy rates during the 1986 through 1994 period, the statewide average effective tax rate continues to climb. Between 1986 and 1994, this rate rose nearly 5.6 percent per year. Since 1995 data is not yet available, effective tax rates are held constant between 1994 and 1995.[10]

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[8]Data presented in this table is preliminary. CDBG funds have been expended over the entire period of analysis (1985 through 1995), but were not made available for this analysis. Further, estimates provided were incomplete, and assumed values were stipulated for the 1993 and 1994 program years. Annual totals from the table are believed to significantly under represent actual expenditure levels.

[9]All data used to compute average effective tax rates are taken from the *Biennial Report of the Montana Department of Revenue*, 1984 through 1994 issues.

[10]Assuming a constant growth rate, the 1995 effective tax rate should be about 1.60 percent of assessed value (market value). Therefore, use of the 1994 value represents a conservative estimate of property taxes paid.

TABLE 12
MONTANA RESIDENTIAL PROPERTY TAX RATES
1985 THROUGH 1994

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Assessed Values										
Residential	4,515,879,874	10,326,833,923	10,192,177,068	8,977,318,046	10,092,993,171	10,618,060,163	11,097,211,105	11,397,770,060	13,025,079,883	15,261,775,316
Residential Low Income	90,107,262	217,482,523	229,783,781	224,747,542	223,888,503	219,235,835	226,079,425	234,661,503	288,033,240	298,161,075
Mobile Home	276,296,004	378,988,569	401,189,384	394,243,839	398,885,686	414,390,991	387,559,421	432,492,255	334,530,481	377,211,700
Mobile Home Low Income	5,351,495	12,028,897	11,877,428	12,308,821	13,228,006	13,554,441	13,847,703	15,243,720	11,818,751	12,974,870
Taxable Value Rate										
Residential	0.0855	0.0385	0.0386	0.0388	0.0386	0.0388	0.0386	0.0388	0.0388	0.0386
Residential Low Income	0.0535	0.0229	0.0232	0.0228	0.0224	0.0225	0.0227	0.0225	0.0222	0.0223
Mobile Home	0.0855	0.0396	0.0388	0.0388	0.0386	0.0388	0.0386	0.0388	0.0385	0.0385
Mobile Home Low Income	0.0524	0.0235	0.0229	0.0223	0.0222	0.0225	0.0223	0.0223	0.0220	0.0220
Taxable Value										
Residential	386,092,049	397,876,463	393,427,586	386,124,446	389,588,408	409,844,189	428,349,943	439,943,921	502,768,289	589,104,169
Residential Low Income	4,819,688	4,971,432	5,333,003	5,088,305	5,011,362	4,936,403	5,127,462	5,279,414	5,944,599	8,643,403
Mobile Home	23,622,461	15,062,260	15,479,081	15,217,828	15,396,919	15,980,051	14,966,010	18,686,674	12,888,743	14,526,043
Mobile Home Low Income	280,513	282,915	271,505	274,025	293,111	305,505	308,121	339,833	260,332	286,037
Average Mill Levy Rates										
State	8.87	6.76	6.88	5.99	6.14	43.49	105.56	105.70	104.53	104.44
County	51.85	54.16	59.36	56.20	64.55	69.33	66.13	87.04	86.43	88.84
Local Schools	139.84	148.64	158.67	153.84	165.90	161.93	115.37	118.69	138.89	147.42
Misc	13.32	14.67	17.82	17.55	20.08	23.27	23.18	23.20	28.41	28.47
Cities & Towns	29.51	31.76	38.46	37.50	37.25	46.56	45.97	46.03	45.07	45.03
TOTAL	241.37	256.01	279.10	271.09	293.91	344.57	356.20	360.87	379.33	394.00
Average Effective Tax Rate										
Residential	2.064%	0.986%	1.077%	1.048%	1.134%	1.330%	1.371%	1.392%	1.484%	1.521%
Residential Low Income	1.291%	0.685%	0.648%	0.614%	0.668%	0.776%	0.806%	0.811%	0.841%	0.878%
Mobile Home	2.064%	1.019%	1.077%	1.046%	1.134%	1.329%	1.372%	1.392%	1.481%	1.517%
Mobile Home Low Income	1.266%	0.802%	0.638%	0.604%	0.651%	0.777%	0.790%	0.804%	0.836%	0.866%

Mobile homes were categorized as class 12 until 1990, after which they are considered class 4 property.

Table13, on the following page, presents the amount of tax paid by individuals within a broad array of Montana Adjusted Gross Income (MAGI) categories. For example, an individual with a MAGI between $20,000 and $21,000 would have paid $564 in 1993. In 1985, that individual would have paid $1,260.[11] Across all income tax categories, taxes being paid are declining.

Interestingly, between 1987 and 1988, while taxes paid in all MAGI tax categories declined, the average tax paid increased. This was due to the number of taxpayers filing returns with zero or less than zero income. Table 13 indicates that over 59,000 returns, or 14.5 percent of all returns, had zero or less than zero income in 1987. In 1988, only 3 percent had zero or less income. Further, while taxes paid within each MAGI category are declining perceptibly, the average tax paid is rising in both nominal and real terms.[12]

For the purposes of this analysis, income taxes are paid by workers in the housing or infrastructure sector identified previously and at amounts specified in Table 13. In the economic benefits model, real average wage rates are converted to nominal dollar amounts and the proper MAGI tax bracket is applied for each year over the 1985 through 1995 period. This computation assumes that workers have only this earned income, with no further adjustments to income. In regard to itemized deductions, or other credits against taxes, it is further assumed that these wage earners are representative of the average Montana wage earners in these categories; in other words, they are like the average taxpayer. Hence the taxes owed within these categories best represent taxes paid by wage earners.[13]

[11]Data in this table is expressed in nominal terms, or not adjusted for inflation. Further, all data taken directly from published pages of the *Biennial Report of the Montana Department of Revenue*, 1984 through 1990 issues; with unpublished reports for 1990 through 1993 provided by Mr. Larry Finch of the Office of Research and Information, MDOR.

[12]Recall that earnings per worker, as noted earlier in this document, are lower today than in 1969. This implies that while real earnings are declining, both property and income taxes are rising. Working citizens of Montana are finding affordable housing more difficult to locate due to other considerations besides rising housing prices.

[13]As per Larry Finch, Program Manager, Office of Research and Information, Montana Department of Revenue, telephone conversation 9-18-95.

TABLE 13
MONTANA INCOME TAXES PAID
BY MONTANA ADJUSTED GROSS INCOME CATEGORY
1985 THROUGH 1993

MAGI	1985	1986	1987	1988	1989	1990	1991	1992	1993
< 0 or = 0	0	0	0	0	0	0	0	0	0
0 - 999	10	10	11	1	1	1	2	0	0
1,000-1,999	32	32	36	5	4	4	4	1	1
2,000-2,999	82	82	87	16	14	14	14	9	9
3,000-3,999	101	100	108	30	28	26	25	20	20
4,000-4,999	141	141	153	48	41	42	40	34	35
5,000-5,999	184	183	198	69	60	60	57	51	51
6,000-6,999	234	233	252	93	81	82	76	70	71
7,000-7,999	284	283	307	122	105	106	99	92	93
8,000-8,999	341	339	365	151	132	133	124	116	117
9,000-9,999	400	399	431	184	159	161	150	142	143
10,000-10,999	462	459	498	222	194	195	180	170	170
11,000-11,999	532	527	568	261	228	229	213	201	202
12,000-12,999	602	598	645	307	270	267	246	236	236
13,000-13,999	676	670	723	350	307	311	287	274	273
14,000-14,999	757	751	808	395	348	354	326	314	310
15,000-15,999	836	830	896	440	389	395	367	354	352
16,000-16,999	916	910	983	491	432	439	407	395	396
17,000-17,999	997	990	1,072	538	474	483	451	434	434
18,000-18,999	1,079	1,071	1,159	579	518	530	492	478	480
19,000-19,999	1,169	1,160	1,250	629	563	578	536	526	522
20,000-20,999	1,260	1,250	1,349	686	613	619	579	575	564
21,000-21,999	1,349	1,340	1,449	730	650	671	622	609	614
22,000-22,999	1,439	1,430	1,547	787	696	711	671	655	658
23,000-23,999	1,530	1,520	1,647	838	748	763	717	706	705
24,000-24,999	1,619	1,609	1,746	899	793	811	764	745	749
25,000-25,999	1,709	1,700	1,848	951	844	860	813	795	800
26,000-26,999	1,803	1,791	1,944	1,003	894	914	862	846	846
27,000-27,999	1,904	1,889	2,044	1,065	948	966	914	890	896
20,000-28,999	2,004	1,989	2,153	1,121	1,002	1,018	957	939	944
29,000-29,999	2,104	2,089	2,262	1,182	1,051	1,080	1,024	989	991
30,000-30,999	2,204	2,188	2,373	1,243	1,105	1,125	1,062	1,046	1,049
31,000-31,999	2,305	2,289	2,486	1,304	1,161	1,184	1,120	1,087	1,089
32,000-32,999	2,405	2,389	2,593	1,370	1,219	1,258	1,180	1,133	1,140
33,000-33,999	2,502	2,490	2,703	1,434	1,265	1,300	1,234	1,200	1,207
34,000-34,999	2,606	2,590	2,811	1,496	1,337	1,359	1,288	1,242	1,252
35,000-35,999	2,704	2,690	2,922	1,545	1,403	1,414	1,348	1,300	1,294
36,000-36,999	2,802	2,790	3,032	1,643	1,446	1,481	1,396	1,357	1,357
37,000-37,999	2,904	2,889	3,144	1,671	1,510	1,531	1,466	1,394	1,402
38,000-38,999	3,005	2,991	3,253	1,766	1,568	1,611	1,522	1,445	1,453
39,000-39,999	3,103	3,092	3,363	1,826	1,619	1,677	1,572	1,510	1,517
40,000-49,999	3,589	3,599	3,888	2,155	1,931	1,970	1,868	1,750	1,773
50,000-59,999	4,693	4,671	5,079	2,884	2,554	2,815	2,495	2,248	2,267
60,000-69,999	5,816	5,798	6,284	3,642	3,265	3,331	3,161	2,692	2,747
70,000-79,999	6,932	6,935	7,538	4,311	3,932	3,986	3,833	3,188	3,193
80,000-89,999	8,007	7,981	8,763	5,209	4,644	4,675	4,543	3,535	3,554
90,000-99,999	9,186	9,094	9,954	5,887	5,325	5,452	5,265	4,138	4,182
100,000-109,999	10,186	10,233	11,157	6,858	6,011	6,292	5,957	4,523	4,509
110,000-119,999	11,307	11,288	12,408	7,528	6,646	6,946	6,585	5,084	5,215
120,000 +	26,773	25,524	31,880	25,650	26,155	18,991	18,014	11,022	11,084
Average	423	433	568	671	634	640	650	720	767

TABLE 14
MONTANA INCOME TAX FILINGS
BY MONTANA ADJUSTED GROSS INCOME CATEGORY
1985 THROUGH 1993

MAGI	1985	1986	1987	1988	1989	1990	1991	1992	1993
< 0 or = 0	68,709	60,696	69,084	12,761	13,516	13,008	11,718	9,473	9,296
0 - 999	32,883	32,208	31,507	14,607	16,466	16,290	13,806	10,551	10,684
1,000-1,999	30,980	30,159	29,087	20,966	20,976	20,296	19,295	15,764	14,861
2,000-2,999	26,963	26,318	25,363	21,464	21,636	21,173	20,671	17,802	17,249
3,000-3,999	23,617	22,722	22,068	20,444	20,460	20,011	19,839	17,967	17,687
4,000-4,999	21,155	20,646	20,077	19,264	19,215	19,126	18,976	17,249	16,872
5,000-5,999	19,841	19,347	18,770	18,049	18,192	18,089	17,943	16,929	16,606
6,000-6,999	17,636	17,669	16,993	17,327	17,327	17,069	16,964	16,488	16,111
7,000-7,999	16,813	16,542	16,546	16,066	16,900	16,071	16,308	15,884	15,728
8,000-8,999	15,981	15,445	14,819	14,865	16,085	16,040	15,666	15,269	15,173
9,000-9,999	14,913	14,788	13,970	14,060	13,875	14,143	14,778	14,806	14,649
10,000-10,999	14,271	14,192	13,606	13,479	13,722	13,620	14,268	14,121	14,348
11,000-11,999	12,905	12,877	12,588	12,708	12,850	13,017	13,325	13,420	13,698
12,000-12,999	12,408	11,784	11,784	12,526	12,352	12,322	12,905	13,595	13,557
13,000-13,999	10,716	10,890	11,108	11,517	11,660	11,874	12,145	12,662	12,737
14,000-14,999	9,514	9,289	9,700	10,960	10,987	11,184	11,747	11,962	12,198
15,000-15,999	8,928	8,412	9,008	10,518	10,347	10,646	10,955	11,684	11,963
16,000-16,999	7,677	7,519	8,146	9,672	9,787	10,044	10,716	10,929	11,417
17,000-17,999	7,036	6,612	7,234	9,146	9,108	9,366	10,068	10,670	10,736
18,000-18,999	6,884	6,966	6,604	8,664	8,827	9,039	9,429	10,434	10,367
19,000-19,999	6,038	6,030	6,830	8,262	8,187	8,410	9,019	9,526	9,947
20,000-20,999	4,264	4,391	6,090	7,680	7,976	8,123	8,719	9,008	9,464
21,000-21,999	3,692	3,621	4,607	7,426	7,434	7,653	8,005	8,671	8,771
22,000-22,999	2,987	3,088	3,848	7,034	6,961	7,268	7,672	8,211	8,383
23,000-23,999	2,562	2,629	3,376	6,492	6,736	6,746	7,287	7,762	8,068
24,000-24,999	2,091	2,196	2,892	6,022	6,327	6,616	6,804	7,394	7,651
25,000-25,999	1,861	1,894	2,661	5,781	6,018	6,121	6,519	7,252	7,236
26,000-26,999	1,617	1,676	2,260	5,260	5,478	5,755	5,812	6,604	6,866
27,000-27,999	1,243	1,386	2,041	4,926	5,266	5,284	5,370	6,981	6,420
20,000-28,999	1,057	1,159	1,698	4,700	4,878	5,063	5,148	5,801	5,901
29,000-29,999	886	946	1,493	4,364	4,474	4,853	4,924	5,368	5,580
30,000-30,999	819	812	1,254	4,062	4,196	4,436	4,749	5,222	5,246
31,000-31,999	696	748	1,120	3,697	3,863	4,118	4,369	4,884	5,143
32,000-32,999	599	647	987	3,407	3,606	3,938	4,306	4,840	4,839
33,000-33,999	530	660	860	3,116	3,338	3,623	3,996	4,470	4,743
34,000-34,999	463	626	704	2,871	3,096	3,351	3,767	4,302	4,601
35,000-35,999	390	429	668	2,602	2,761	3,117	3,530	4,003	4,237
36,000-36,999	327	411	667	2,467	2,680	2,823	3,215	3,962	4,050
37,000-37,999	287	369	628	2,299	2,469	2,609	2,979	3,469	3,710
38,000-38,999	296	302	461	2,109	2,361	2,422	2,816	3,296	3,438
39,000-39,999	260	261	425	1,911	2,116	2,338	2,732	3,182	3,120
40,000-49,999	1,618	1,833	2,648	12,249	13,418	16,006	17,607	21,764	22,768
50,000-59,999	678	869	1,193	5,136	5,664	6,283	7,666	10,131	11,139
60,000-69,999	409	448	656	2,462	2,642	2,930	3,629	5,161	5,948
70,000-79,999	212	277	420	1,362	1,621	1,739	2,077	3,061	3,640
80,000-89,999	143	201	326	843	1,031	1,108	1,280	2,118	2,366
90,000-99,999	113	137	237	664	704	767	907	1,418	1,625
100,000-109,999	68	78	164	483	533	560	653	1,031	1,296
110,000-119,999	60	67	113	319	397	422	512	814	957
120,000 +	269	291	601	2,152	2,248	2,663	2,837	5,959	6,789
Totals	404,115	401,218	406,667	411,067	419,432	426,349	440,216	462,094	469,436

IMPACT COEFFICIENTS

The economic benefits analysis computes additions to basic income by use of a set of coefficients that represent the payroll per employee and the dollar value per employee for investment in each type of housing or infrastructure activity. Data is presented below in Table 15 and applies to the 1987 I/O benchmark data files developed by the US Department of the Census, Bureau of Economic Analysis. Several assumptions pertaining to this data were required. First, data applies to very specific "commodities," or types of construction products, such as residential single family homes or water systems. Further, this data is comprised of national averages, as specific regional tabulations were not available.

TABLE 15
IMPACT COEFFICIENTS
1,000's OF DOLLARS PER EMPLOYEE
1987

CONSTRUCTION ACTIVITY	Payroll Per Employee	Dollar Value of Investment
SINGLE FAMILY DWELLINGS	15.80	101.20
MULTI FAMILY UNITS	20.70	162.70
RESIDENTIAL REHAB	19.30	77.00
RESIDENTIAL/HEALTH RELATED	20.30	187.70
WATER SYSTEMS	24.40	174.20
SEWER SYSTEMS	24.40	174.20
HIGHWAYS AND STREETS	24.80	124.90
SENIOR CENTERS	23.60	187.70
EDUCATION	21.70	187.70
OTHER	23.60	187.70

Data presented above is used in concert with the program expenditures. For example, when $101,200 was spent for single-family housing in 1987, one job paying an annual sum of $15,800 was created. The employee in this 'basic' job then spent his or her income within the local economy, thereby creating non-basic economic activity.

Each of these values is teamed with the respective expenditure level, in real 1987 dollars, to compute basic employment and basic income. The nonbasic/basic multiplier is used to compute nonbasic income effects, and average wages paid to non-basic employees are then used to approximate non-basic employment.

NONBASIC/BASIC MULTIPLIERS

An analysis of 73 industry sectors of Montana's economy was conducted to determine the nonbasic to basic multiplier. The technique applied here was similar to the location quotient definitions presented earlier in this report. However, in order to capture the inter-regional trade activities, the special location quotient methodology was applied using a "minimum requirements" approach. Instead of comparing the state of Montana to the USA, Montana's location quotients were compared with the surrounding states of Idaho, North Dakota, South Dakota, and Wyoming. The

TABLE 16
NONBASIC/BASIC MULTIPLIERS

Date	REAL INCOME
1985	0.691627
1986	0.686350
1987	0.670256
1988	0.672880
1989	0.659809
1990	0.645440
1991	0.657891
1992	0.688442
1993	0.696740
1994	0.721176

state with the lowest location quotient for a specific industry is considered the minimum; any state having a location quotient greater than the minimum is assumed to be exporting a portion of that industry's output. Table 16, presents the nonbasic/basic multipliers for the 1985 through 1994 period. For this analysis, the 1995 multiplier is held constant from 1994.

Once nonbasic income is computed from the nonbasic/basic multiplier, as applied to the estimate of basic income, non-basic employment can also be estimated from average real wages paid. These values are presented in Table 17, at right. Note that real wages per nonbasic employee are falling. The reason for this is the rapid expansion of lower wage jobs, such as retail and service; this was discussed earlier in this report.

TABLE 17
NONBASIC INCOME

DATE	1987 $
1985	15,412
1986	15,814
1987	15,197
1988	14,543
1989	14,718
1990	14,266
1991	14,314
1992	14,631
1993	15,188
1994	14,896

MODEL ASSUMPTIONS

Several assumptions were used in computing impacts associated with the economic benefits analysis. Each of these, if not previously addressed in the narrative, is itemized below.

1. Seventy five percent of CDBG rehab expenditures are considered equal to assessed value. 100 percent of new construction is assumed as equal to assessed value. No distinctions are currently made between single-family and multifamily homes. All are considered single-family.

2. 100 percent of HOME funds used to fund privately owned projects are assumed to be equal the assessed values. 50 percent of public and non-profit facilities funded by HOME are assumed to equal assessed value. This latter data is to represent fees paid in lieu of taxes.

3. Home acquisition is assumed to have impacts on the same scale as residential rehab. However, it is assumed that 80 percent of the MBOH loans used for existing housing structures are used to build new or remodel existing homes. The remainder immediately leaks out of the state as the home seller retires or otherwise departs with the sale receipts.

4. The Low Income Housing Tax Credit is assumed to be sold on the open market for 55 percent of its accumulated ten-year face value. These funds, all of which are acquired in the first year, are then used to acquire/rehab existing housing or build new construction housing, depending which project type was awarded the Credit.

5. All housing units that pay property taxes, or fees in lieu of taxes, are assumed to continue paying these fees each year (at that year's effective property tax rate). The pool of properties once funded by these programs has grown over time. Property upon which expenditures were made are assumed to increase in value at a rate equal to inflation. In other words, a constant real dollar amount. This is why in some years, 1995 in particular, when no expenditures are made, property tax benefits are still evident.

6. Income tax rates for 1993 are used for 1994 and 1995 estimated tax payments. Payments are made by the Montana Adjusted Gross Income (MAGI) category. It is assumed that each worker

only has earned income, which is equal to the MAGI. Therefore, these workers, as taxpayers, are equal to the average Montana taxpayer within the respective MAGI category

7. Property tax rates for 1994 are held constant for 1995.

8. All income, income taxes, and property taxes are expressed in real 1987 dollars. The deflator used is the fixed weighted price index for personal consumption expenditures; real wage rate and tax rates assumed the same deflator for 1995 as for 1994.

9. All Administrative Fees are assumed to have basic and non-basic income and employment impacts. Section 8 and HOME Tenant Based Rental Assistance, while having basic and non-basic income effects, have only non-basic employment impacts.

10. No infrastructure project pays property taxes.

FINDINGS OF ECONOMIC BENEFITS

The following 12 tables (Tables 18 through 29) present the results of the economic benefits analysis. These findings are a total of all programs added together, and then individual programs, or pairs of activities within the programs. For the purposes of this presentation, basic and nonbasic income have been summed together, as have both basic and nonbasic employment. All dollar values are expressed in current dollar amounts--that is, with inflation included. Lastly, all property taxes paid by properties either purchased or placed in service accrue over the analysis period.[14]

TABLE 18
TOTAL ECONOMIC BENEFITS
HOUSING AND INFRASTRUCTURE EXPENDITURES
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $	Property Taxes Paid Current $
1985	117,332,091	47,310,533	2,582	2,234,020	1,097,951
1986	80,712,944	36,418,531	1,761	1,619,746	1,819,830
1987	22,275,072	19,575,032	689	659,689	2,132,775
1988	52,197,068	30,645,076	1,257	661,982	2,488,100
1989	59,054,626	32,689,096	1,298	672,795	3,221,835
1990	48,339,457	30,468,039	1,086	579,835	4,240,463
1991	77,928,831	40,456,684	1,521	849,890	5,244,315
1992	65,333,338	40,488,699	1,430	1,111,798	6,029,361
1993	45,263,112	33,525,387	998	601,508	6,729,673
1994	39,682,955	36,717,125	1,043	629,963	7,288,414
1995	87,156,328	47,783,609	1,614	975,851	8,406,720

Table 18, above, presents total economic benefits associated with MDOC housing and infrastructure programs. Obviously, significant impacts are seen. In 1994, over 1000 jobs were

[14]Several programs do not currently have complete expenditure amounts for 1995, therefore comparisons between program options and activities cannot be carried out completely.

created and $36.7 million in total income was generated. In 1995, MDOC expects that over 1,600 jobs will have been created, and over $47 million in income will be received.

TABLE 19
ECONOMIC BENEFITS
MONTANA BOARD OF HOUSING SINGLE FAMILY LOAN PROGRAM EXPENDITURES
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $	Property Taxes Paid Current $
1985	111,366,962	37,219,760	2,295	2,016,956	1,097,951
1986	73,221,337	23,785,057	1,422	1,338,949	1,819,830
1987	13,070,997	4,143,979	244	255,141	2,129,458
1988	38,940,023	12,694,605	722	404,056	2,475,758
1989	45,475,185	14,791,868	795	430,141	3,200,112
1990	33,413,870	10,801,557	558	322,271	4,196,040
1991	62,847,305	20,531,821	1,014	594,705	5,187,243
1992	45,841,160	15,288,806	723	726,513	5,905,163
1993	23,992,687	7,953,688	362	221,643	6,562,037
1994	17,811,235	6,067,249	271	178,837	7,086,765
1995	73,354,771	24,115,390	1,092	702,747	8,202,365

Table 19, above, shows the Montana Board of Housing Single Family Loan Program activities over the 1985 through 1995 period. This is the single largest MDOC player in the Housing market, expending over $480 million dollars over this 11-year period. This program accounts for two-thirds of these program impacts on employment and over 50 percent of the income impacts. In 1995, the program is anticipated to directly and indirectly cause the employment of 1,092 persons.

Table 20, presents the impacts associated with tenant-based housing assistance. This is primarily the Section 8 housing program administered by the MDOC. Small amounts of tenant-based rental assistance from the HOME program are included in 1993 and 1994 ($26,485 and $9,487, respectively). Note that these income transfers, while basic, do not have basic employment, just nonbasic impacts.

TABLE 20
ECONOMIC BENEFITS
SECTION 8 HOUSING AND HOME TENANT-BASED RENTAL ASSISTANCE EXPENDITURES
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $
1985	5,965,129	10,090,773	287	217,064
1986	7,491,607	12,633,474	338	280,797
1987	8,588,411	14,344,843	379	339,323
1988	9,585,419	16,035,256	425	187,125
1989	9,436,240	15,662,354	386	166,946
1990	10,690,950	17,591,317	420	184,404
1991	10,887,638	18,050,517	416	187,687
1992	11,789,171	19,905,328	445	212,898

1993	12,739,321	21,615,310	456	240,141
1994	15,007,104	25,829,865	554	288,957
1995	13,445,130	23,141,433	496	258,882

Table 21,beow, presents the impacts associated with the Low Income Housing Tax Credit. "Nominal Expenditures Current $," represents the total amount granted for each credit. Tthese credits last 10 years; therefore, the $356,427 granted in 1995 is also credited for ten more years. Too, the $615,664 granted in 1987 was granted each year, for 10 years. However, these credits are typically sold in the commercial market for 55 percent of their 10 year accumulated value. This latter value is used as the economic stimulus and is assumed spent in the initial year the credit was granted. In 1994, this program caused 108 jobs to be formed, with about 2.3 million in income.

TABLE 21
ECONOMIC BENITS
LOW INCOME HOUSING TAX CREDIT PROGRAM AWARDS
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $	Property Taxes Paid Current $
1985	0	0	0	0	0
1986	0	0	0	0	0
1987	615,664	1,086,211	66	65,225	3,316
1988	206,450	379,044	22	11,745	4,301
1989	345,541	759,180	41	22,092	6,623
1990	206,441	291,687	17	8,218	9,138
1991	124,455	180,261	10	4,953	10,273
1992	1,373,337	2,012,302	105	53,479	19,990
1993	390,088	569,588	29	15,634	23,881
1994	1,267,349	2,304,305	108	65,173	34,442
1995	356,427	526,787	26	14,222	37,152

Table 22, below, presents the economic benefits associated with the HOME single family programs. Property taxes reported in this table include both multifamily and single-family structures.[15]

TABLE 22
ECONOMIC BENEFITS
HOME PROGRAM SINGLE FAMILY PROGRAM EXPENDITURES
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $	Property Taxes Paid Current $
1985	0	0	0	0	0
1986	0	0	0	0	0
1987	0	0	0	0	0
1988	0	0	0	0	0
1989	0	0	0	0	0
1990	0	0	0	0	0
1991	0	0	0	0	0
1992	3,257,088	1,291,641	62	36,109	45,904

[15]Property Ownership between single-family and multifamily units was unavailable. The total is reported in the HOME single-family data.

1993	36,105	15,327	1	798	70,770
1994	265,097	71,237	4	1,923	79,281
1995	0	0	0	0	79,281

Table 23, below, presents the HOME multifamily programs. HOME awarded several projects in 1993 for multifamily facilities. These grants resulted in 46 jobs and over 750 million in income. HOME grants for multi-family housing are made to non-profits and local government entities. Property taxes are not generated on these expenditures.

TABLE 23
ECONOMIC BENEFITS
HOME PROGRAM MULTI-FAMILY PROGRAM EXPENDITURES
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $	Property Taxes Paid Current $
1985	0	0	0	0	0
1986	0	0	0	0	0
1987	0	0	0	0	0
1988	0	0	0	0	0
1989	0	0	0	0	0
1990	0	0	0	0	0
1991	0	0	0	0	0
1992	73,507	31,052	1	873	0
1993	2,876,522	965,398	46	27,288	0
1994	131,198	51,100	2	1,488	0
1995	0	0	0	0	0

Table 24, below, presents the CDBG single-family program impacts. This program has produced about 20 jobs per year, with about $350,000 in total income.

TABLE 24
ECONOMIC BENEFITS
CDBG SINGLE FAMILY PROGRAM EXPENDITURES
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $	Property Taxes Paid Current $
1985	0	0	0	0	0
1986	0	0	0	0	0
1987	0	0	0	0	0
1988	1,024,601	428,843	24	13,757	8,041
1989	750,000	311,457	17	9,106	15,100
1990	1,762,766	725,697	37	21,738	35,286
1991	1,013,678	420,469	21	12,218	46,798
1992	1,033,040	436,397	21	12,275	58,304
1993	1,032,884	424,448	19	12,238	72,985
1994	1,033,000	430,592	19	12,676	87,926
1995	0	0	0	0	87,926

TABLE 25
ECONOMIC BENEFITS
CDBG WATER AND SEWER EXPENDITURES
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $
1985	0	0	0	0
1986	0	0	0	0
1987	0	0	0	0
1988	1,940,470	454,584	23	15,463
1989	2,032,856	472,505	22	14,561
1990	661,426	152,407	7	4,948
1991	1,882,393	437,027	19	13,740
1992	1,062,150	251,139	11	7,806
1993	875,000	207,905	8	6,562
1994	875,000	210,899	8	6,725
1995	0	0	0	0

The CDBG program also expends funds for infrastructure. The following tables present this data. Table 25, above, shows the income and employment effects for water and sewer projects. Generally, these types of projects have somewhat higher paying jobs, thereby resulting in lower employment. The 1993 and 1994 program expenditure values are estimated.

Tables 26 through 28, present six types of infrastructure expenditure: solid waste, storm sewer, residential/health related, senior center, education, and a miscellaneous category containing all other forms of CDBG expenditure. Together, these categories have created about 20 jobs.

TABLE 26
ECONOMIC BENEFITS
CDBG SOLID WASTE AND STORM SEWER EXPENDITURES
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $
1985	0	0	0	0
1986	0	0	0	0
1987	0	0	0	0
1988	0	0	0	0
1989	0	0	0	0
1990	346,973	71,844	3	2,304
1991	344,539	113,418	5	3,527
1992	0	0	0	0
1993	875,000	240,808	10	7,540
1994	875,000	244,276	10	7,641
1995	0	0	0	0

TABLE 27
ECONOMIC BENEFITS
CDBG RESIDENTIAL/HEALTH RELATED AND SENIOR CENTER EXPENDITURES
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $
1985	0	0	0	0
1986	0	0	0	0
1987	0	0	0	0
1988	123,225	22,270	1	719
1989	635,091	122,473	6	3,665
1990	330,150	63,797	3	1,998
1991	445,200	87,165	4	2,628
1992	168,737	30,779	1	903
1993	875,000	173,610	7	5,276
1994	875,000	176,110	7	5,336
1995	0	0	0	0

TABLE 28
ECONOMIC BENEFITS
CDBG EDUCATION AND OTHER INFRASTRUCTURE EXPENDITURES
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $
1985	0	0	0	0
1986	0	0	0	0
1987	0	0	0	0
1988	0	0	0	0
1989	42,036	8,780	0	266
1990	523,125	105,376	5	3,318
1991	0	0	0	0
1992	0	0	0	0
1993	875,000	179,214	7	5,512
1994	875,000	181,795	7	5,575
1995	0	0	0	0

Table 29 reports the last piece of analysis related to MDOC housing and infrastructure program impacts. This pertains to Administrative Fees. Federal program activities also allow a certain level of funding for operation and administration of the programs. Fees from CDBG and HOME are reported, as are the economic benefits derived from these fees.

TABLE 29
ECONOMIC BENEFITS
ADMINISTRATIVE FEE EXPENDITURES
FOR HOUSING AND INFRASTRUCTURE PROGRAMS
MADE BY MONTANA DEPARTMENT OF COMMERCE

Year	Nominal Expenditures Current $	Basic and Nonbasic Income Current $	Basic And Nonbasic Employment	Income Taxes Paid Current $
1985	0	0	0	0
1986	0	0	0	0
1987	0	0	0	0
1988	376,880	630,475	39	29,117
1989	337,677	560,479	31	26,018
1990	403,756	664,355	36	30,637
1991	383,623	636,005	32	30,434
1992	735,148	1,241,255	61	60,941
1993	695,505	1,180,091	53	58,874
1994	667,972	1,149,697	53	55,632
1995	0	0	0	0

SUMMARY

Housing and infrastructure program expenditures made by, or through, the MDOC have had significant economic benefits to the State of Montana. The total number of jobs created in 1994 was 1,043. In 1995, 1,614 jobs were created. Incomes generated were $36.7 million and $47.7 million, respectively. It is estimated that nearly $1 million is to be paid to the state in income taxes in 1995. Further, the State is now enjoying nearly $8.5 million in property taxes. accumulated over the 1985 through 1995 period.

C. SOCIO-ECONOMIC AND DEMOGRAPHIC PROFILE

1. SOCIOECONOMIC DATA

POPULATION

Between 1980 and 1990, Montana's actual population changed very slightly, rising from about 789,000 to 799,000. As seen in Table 30, Montana's experience in the 1990's is shaping up to be very different.

In the four years from the 1990 census to 1994, population has expanded by nearly 57,000 persons. This is an annual rate of 1.74 percent per year. However, population growth is very uneven throughout the state. Cascade County, for example, has expanded at only 1.1 percent per year. The strongest areas of growth are Ravalli (5.2 annual growth rate), Gallatin (3.4), Flathead (3.2), Lewis and Clark (2.1), Missoula (2.1), and Yellowstone Counties (2.0). Areas in the more rural parts of the state, such as Chouteau, Deer Lodge, Phillips, Prairie, and Sheridan Counties are still undergoing population declines.

DIAGRAM 15
MONTANA POPULATION

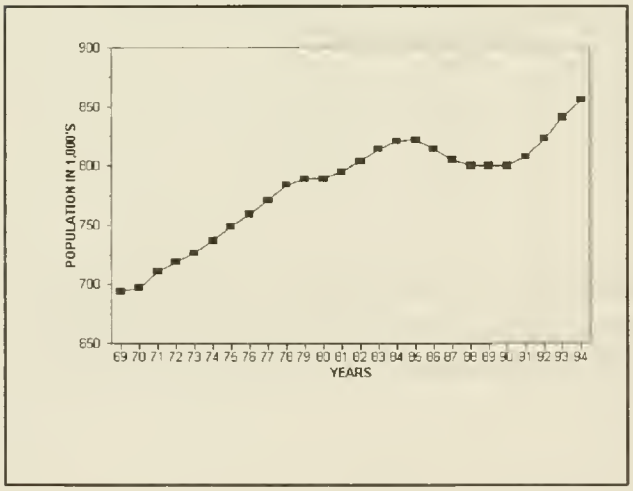


TABLE 30
CENSUS AND INTERCENSAL ESTIMATES 1990 THROUGH 1994

AREA	1990	1991	1992	1993	1994
Beaverhead County	8,424	8,448	8,621	8,685	8,849
Big Horn County	11,337	11,408	11,618	11,769	12,060
Blaine County	6,728	6,772	6,815	6,963	7,054
Broadwater County	3,318	3,361	3,538	3,587	3,677
Carbon County	8,080	8,013	8,316	8,629	8,947
Carter County	1,503	1,445	1,499	1,508	1,531
Cascade County	77,691	78,380	79,247	80,322	81,167
Chouteau County	5,452	5,426	5,476	5,339	5,461
Custer County	11,697	11,643	11,815	12,023	12,126
Daniels County	2,266	2,147	2,144	2,131	2,152
Dawson County	9,505	9,288	9,053	9,009	8,994
Deer Lodge County	10,356	10,197	10,108	10,190	10,229
Fallon County	3,103	3,085	2,993	2,973	3,061
Fergus County	12,083	12,336	12,448	12,448	12,588
Flathead County	59,218	60,839	62,851	65,227	67,285
Gallatin County	50,463	52,312	53,998	55,969	57,773
Garfield County	1,589	1,501	1,437	1,437	1,433
Glacier County	12,121	12,049	12,187	12,256	12,426
Golden Valley County	912	904	907	953	949
Granite County	2,548	2,511	2,531	2,595	2,655
Hill County	17,654	17,666	17,777	17,571	17,480
Jefferson County	7,939	8,130	8,280	8,607	8,988
Judith Basin County	2,282	2,276	2,264	2,262	2,246
Lake County	21,041	21,595	22,076	22,994	23,653
Lewis and Clark County	47,495	48,286	49,576	50,751	51,524
Liberty County	2,295	2,263	2,256	2,238	2,238
Lincoln County	17,481	17,558	17,628	18,273	18,409
McCone County	2,276	2,176	2,104	2,135	2,140
Madison County	5,989	6,108	6,069	6,190	6,384
Meagher County	1,819	1,827	1,803	1,821	1,830
Mineral County	3,315	3,326	3,448	3,606	3,633
Missoula County	78,687	80,474	82,367	84,449	86,670
Musselshell County	4,106	4,142	4,107	4,214	4,422
Park County	14,484	14,483	14,733	15,329	15,661
Petroleum County	519	510	507	520	534
Phillips County	5,163	5,146	5,093	5,016	5,039
Pondera County	6,433	6,262	6,258	6,192	6,218
Powder River County	2,090	2,042	2,032	2,007	2,006
Powell County	6,620	6,698	6,786	6,819	6,792
Prairie County	1,383	1,341	1,326	1,342	1,331
Ravalli County	25,010	26,061	27,527	28,953	30,701
Richland County	10,716	10,577	10,519	10,363	10,380
Roosevelt County	10,999	10,810	10,871	10,962	11,127
Rosebud County	10,505	10,416	10,553	10,696	10,755
Sanders County	8,669	8,637	8,868	9,288	9,733
Sheridan County	4,732	4,565	4,542	4,467	4,434
Silver Bow County	33,941	34,057	34,250	34,669	34,814
Stillwater County	6,536	6,728	6,781	6,999	7,222
Sweet Grass County	3,154	3,160	3,160	3,225	3,269
Teton County	6,271	6,189	6,231	6,354	6,438
Toole County	5,046	4,963	5,012	5,046	5,087
Treasure County	874	880	893	884	875
Valley County	8,239	8,164	8,207	8,324	8,318
Wheatland County	2,246	2,281	2,276	2,302	2,355
Wibaux County	1,191	1,162	1,146	1,165	1,138
Yellowstone County	113,419	116,248	118,107	120,864	122,765

Overall, while Montana's total population is expanding, it is not doing so evenly throughout the state. Diagram 15, shows the entire state's population change over the 1969 through 1994 period.

INCOME

Within Montana, the 1990 per capita income varied widely. According to the 1990 Census, Big Horn County had the lowest per capita income, at $7,148, and Helena was highest, at $13,256, as seen in Table 31. The statewide average annual income was only $11,213. This implies that significant variation in income may occur among households within the state. A more accurate way of inspecting the relative income between areas is to rank the percent of total household incomes below a particular threshold. This is better than just income because it accounts for households with additional wage earners.

Data representing the percent of low income households in each area were computed and ranked. Low income concentrations are designated as areas having a large percentage of households below the statewide low income threshold of $22,435, which is 80 percent of the state median family income. Census income data is reported by category; $22,500 is used to approximate the low income threshold. Table 31, presents all areas defined in this way and listed in descending order by percent. Those areas that fall within the low income criteria are listed above the dotted line, starting at Park County. In general, there appear to be very large blocks of the population in low-income households in Montana. Furthermore, as suggested by HUD, those areas having a disproportionate need are those with 10 percentage points above the average; this is 59.06 percent. Those areas above the line under Golden Valley are areas having disproportionate need. Wheatland County has the highest percentage of households in the low income category, with over 65 percent of the households. Only one area, Helena Valley Northeast CDP, has less than 25 percent of its households in the low income category. Given these facts, large sections of Montana can be considered low-income areas.

TABLE 31
LOW INCOME CONCENTRATION - 1990 CENSUS

AREA NAME	LOW INCOME HOUSEHOLDS	PERCENT LOW INC HOUSEHOLD
Wheatland County	566	66.93%
Prairie County	367	64.96%
Musselshell County	1,083	64.93%
Carter County	381	64.91%
Garfield County	371	63.86%
Sanders County	2,128	62.13%
Blaine County	1,464	61.38%
Evergreen CDP	932	60.60%
Golden Valley County	192	60.19%
Meagher County	420	58.99%
Treasure County	202	58.72%
Big Horn County	1,986	58.60%
Roosevelt County	2,143	58.34%
Granite County	614	58.31%
Glacier County	2,203	58.19%
Bonner-West Riverside CDP	377	57.66%
Carbon County	1,892	57.18%
Bozeman city	4,959	56.84%
Petroleum County	120	56.60%
Lake County	4,431	56.16%
Wibaux County	263	55.96%
Sheridan County	1,059	55.91%
Kalispell city	2,927	55.71%
McCone County	475	55.56%
Deer Lodge County	2,255	55.43%
Sweet Grass County	703	55.01%
Broadwater County	720	55.00%
Mineral County	713	54.39%
Lincoln County	3,661	54.36%
Ravalli County	5,169	53.80%
Beaverhead County	1,697	53.60%
Daniels County	493	53.47%
Fergus County	2,470	53.30%
Missoula city	9,419	53.02%
Custer County	2,435	52.96%
Powell County	1,177	52.43%
Silver Bow County	7,230	52.30%
Valley County	1,689	51.83%
Teton County	1,199	51.04%
Malmstrom AFB CDP	733	50.87%
Madison County	1,200	50.70%
Phillips County	982	50.64%
Powder River County	407	50.43%
Chouteau County	1,066	50.38%
Judith Basin County	467	49.84%
Orchard Homes CDP	2,094	49.63%
Park County	2,783	49.44%
Great Falls city	11,034	48.72%
Stillwater County	1,264	48.62%
Pondera County	1,047	48.56%
Fallon County	567	48.46%
Dawson County	1,790	48.13%
Richland County	1,914	47.74%
Lewis and Clark County	1,327	46.81%
Helena West Side CDP	361	46.82%
Liberty County	361	46.07%
Toole County	863	44.78%
Billings city	14,790	44.44%
Hill County	2,803	43.72%
Helena city	4,537	43.54%
Flathead County	6,884	42.86%
Helena Valley Southeast CDP	657	41.71%
Gallatin County	4,313	41.54%
Cascade County	2,353	41.44%
Yellowstone County	4,232	41.41%
Rosebud County	1,431	41.17%
Lockwood CDP	557	40.54%
Lolo CDP	364	38.27%
Missoula County	2,777	37.25%

Table 32, on the following page, presents the actual number of households within each income category throughout the state. Overall, Montana has 49 percent of its households making less than 80 percent of the state's median family income in 1989. Furthermore, a whopping 75 percent of Montana households made less than the national average median family income of about $36,000 in 1989.

TABLE 32
NUMBER OF HOUSEHOLDS BY INCOME CATEGORY - 1990 CENSUS

AREA NAME	VERY-LOW LESS THAN 12,500	LOW 12,500-22,499	MEDIUM 22,500-27,499	UPPER-MIDDLE 27,500-34,999	HIGH 36,000-49,999	VERY-HIGH 50,000-99,999	EXTREMELY HIGH 100,000 OR MORE	HOUSEHOLDS	PER CAPITA INCOME 1989
Billings city	8,048	6,742	3,162	5,473	4,455	4,620	784	33,284	12,834
Bozeman city	2,929	2,030	841	1,183	772	845	124	8,724	10,172
Great Falls city	5,926	5,108	2,307	3,379	2,789	2,616	522	22,647	12,603
Helena city	2,481	2,056	1,121	1,621	1,359	1,844	139	10,421	13,256
Kalispell city	1,711	1,218	446	742	560	549	30	5,254	11,228
Missoula city	5,411	4,008	1,523	2,366	2,071	2,047	339	17,765	11,759
Bonner-West Riverside CDP	239	138	54	165	43	15	0	654	7,943
Evergreen CDP	471	461	170	237	97	102	0	1,538	8,223
Helena Valley Northeast CDP	28	64	128	117	104	81	15	537	10,846
Helena Valley Northwest CDP	54	53	40	59	81	84	8	379	10,975
Helena Valley Southeast CDP	275	382	167	287	227	231	6	1,575	10,331
Helena Valley West Central CDP	304	454	188	424	478	352	25	2,235	11,923
Helena West Side CDP	175	176	83	167	68	81	16	766	11,835
Lookwood CDP	338	221	184	307	159	159	8	1,374	9,886
Lolo CDP	133	221	85	171	155	160	0	925	10,449
Malmstrom AFB CDP	137	596	329	196	125	58	0	1,441	7,635
Orchard Homes CDP	1,093	1,001	403	553	546	568	55	4,219	11,597
Sun Prairie CDP	44	77	81	108	76	43	11	440	10,682
Beaverhead County	983	714	305	435	420	283	26	3,166	10,376
Big Horn County	1,214	772	284	453	297	351	24	3,395	7,148
Blaine County	839	625	224	291	223	158	25	2,385	8,290
Broadwater County	336	384	118	219	127	108	17	1,309	10,125
Carbon County	1,057	835	298	402	352	317	48	3,309	10,727
Carter County	235	146	42	54	52	38	20	587	10,670
Cascade County	1,192	1,161	731	1,021	772	644	157	5,678	11,895
Chouteau County	529	527	207	326	199	256	52	2,096	11,290
Custer County	1,362	1,073	444	745	528	408	39	4,599	10,310
Daniels County	247	246	115	154	108	41	10	922	9,963
Dawson County	957	833	366	624	515	390	34	3,718	10,629
Deer Lodge County	1,242	1,013	419	659	511	202	22	4,068	9,444
Fallon County	249	318	122	264	123	78	16	1,170	10,308
Fergus County	1,249	1,221	427	796	498	333	110	4,634	10,995
Flathead County	3,628	3,256	1,658	2,736	2,295	2,159	332	16,064	12,186
Gallatin County	1,936	2,377	997	1,950	1,363	1,469	291	10,383	13,947
Garfield County	199	172	39	64	61	26	20	581	9,843
Glacier County	1,366	837	274	589	373	341	6	3,786	7,458
Golden Valley County	100	92	28	52	32	13	2	319	8,505
Granite County	336	278	100	154	107	52	26	1,053	10,049
Hill County	1,606	1,197	679	1,066	827	921	115	6,411	11,121
Jefferson County	538	484	202	485	491	534	99	2,833	13,233
Judith Basin County	218	239	101	159	90	81	29	917	12,060
Lake County	2,597	1,834	753	1,237	745	625	100	7,891	9,274
Lewis and Clark County	684	643	273	412	421	375	27	2,835	11,653
Liberty County	181	180	91	144	95	91	19	801	10,544
Lincoln County	2,052	1,609	673	1,015	809	503	74	6,735	9,813
Madison County	703	497	259	378	222	284	14	2,367	10,718
McCone County	255	220	112	116	74	70	8	855	9,347
Meagher County	224	196	63	116	68	42	3	712	9,201
Mineral County	381	332	164	214	120	93	7	1,311	9,440
Missoula County	1,306	1,471	626	1,438	1,089	1,283	242	7,455	13,001
Musselshell County	643	440	125	210	125	106	19	1,668	8,941
Park County	1,533	1,250	731	930	603	486	96	5,629	11,366
Petroleum County	63	57	25	34	11	18	4	212	9,876
Phillips County	529	453	227	315	203	175	41	1,943	10,793
Pondera County	527	520	208	358	272	242	29	2,156	9,811
Powder River County	207	200	75	129	84	82	30	807	12,722
Powell County	617	560	274	378	227	168	21	2,245	9,978
Prairie County	205	162	52	78	39	24	5	565	8,497
Ravalli County	2,738	2,431	923	1,507	1,075	814	120	9,608	10,130
Richland County	1,040	874	484	730	456	373	52	4,009	10,091
Roosevelt County	1,243	900	305	596	349	254	26	3,673	7,751
Rosebud County	758	673	335	431	668	590	21	3,476	10,415
Sanders County	1,050	1,078	356	542	201	156	42	3,425	9,459
Sheridan County	543	516	156	328	201	139	11	1,894	10,001
Silver Bow County	4,231	2,998	1,201	1,957	1,416	1,794	227	13,825	11,364
Stillwater County	616	638	198	465	351	277	34	2,579	10,975
Sweet Grass County	361	342	138	176	147	91	23	1,278	10,838
Teton County	681	518	229	351	256	276	38	2,349	10,772
Toole County	489	364	177	354	247	251	23	1,905	11,375
Treasure County	111	91	41	42	23	22	14	344	10,244
Valley County	980	709	312	470	454	304	30	3,259	10,529
Wheatland County	319	246	60	118	79	29	6	857	8,656
Wibaux County	138	125	45	84	50	27	1	470	9,338
Yellowstone County	1,783	2,449	945	1,812	1,545	1,469	216	10,219	11,571
Montana	81,201	69,381	30,138	48,718	37,255	35,001	5,225	306,919	11,213

POVERTY

The US Department of the Census, Bureau of Economic Analysis, conducts intercensal surveys to estimate poverty throughout the United States. The most recent survey was conducted earlier in 1995. Results of the recent BEA survey indicate that poverty has declined to 14.5 percent of the population, down from 15.1 percent.

As noted in Table 33, Montana's poverty population was 124,853 at the time that the Census was taken, or 15.6 percent of the state's population. These counts were distributed among married couple families (6.4 percent), other types of families (4.5 percent), and unrelated individuals (4.7 percent).

However, the 1995 BEA survey population comprised a sample of only 60,000 households. While this number is valid for the nation, its pertinence and relevance to the state of Montana is highly questionable. The following narrative will substantiate this assertion.

Over the last six years, the number of average monthly household cases receiving food stamps in Montana has risen from 21,088 to 27,605.

TABLE 33
POVERTY STATUS BY FAMILY TYPE
1989

Area	Married Couple	Other Families	Unrelated	Total
Beaverhead County	694	355	446	1,495
Big Horn County	2,170	1,434	345	3,949
Blaine County	859	634	332	1,825
Broadwater County	242	150	138	530
Carbon County	679	315	343	1,337
Carter County	306	34	66	406
Cascade County	3,693	3,696	3,143	10,332
Chouteau County	542	191	134	867
Custer County	772	673	618	1,863
Daniels County	223	30	91	344
Dawson County	748	309	289	1,346
Deer Lodge County	695	405	688	1,788
Fallon County	210	29	97	336
Fergus County	768	395	509	1,662
Flathead County	3,794	2,433	2,202	8,429
Gallatin County	2,638	1,501	3,996	8,135
Garfield County	205	27	41	273
Glacier County	2,128	1,390	706	4,224
Golden Valley County	132	7	103	242
Granite County	328	119	101	548
Hill County	998	1,188	893	3,079
Jefferson County	308	86	174	568
Judith Basin County	179	40	127	346
Lake County	1,971	1,302	1,132	4,405
Lewis and Clark County	1,867	1,975	1,625	5,467
Liberty County	186	51	154	390
Lincoln County	1,169	677	604	2,450
McCone County	307	47	62	416
Madison County	553	203	330	1,086
Meagher County	141	59	166	366
Mineral County	311	133	128	572
Missoula County	3,692	4,106	5,066	12,864
Musselshell County	499	185	258	942
Park County	885	586	691	2,162
Petroleum County	104	13	16	133
Phillips County	465	127	279	871
Pondera County	427	252	403	1,082
Powder River County	228	60	88	376
Powell County	561	196	156	913
Prairie County	140	8	60	208
Ravalli County	1,875	948	1,199	4,022
Richland County	713	430	339	1,482
Roosevelt County	1,119	1,396	461	2,976
Rosebud County	1,102	600	401	2,103
Sanders County	931	287	462	1,680
Sheridan County	485	79	187	751
Silver Bow County	1,650	1,653	1,586	4,889
Stillwater County	346	133	203	682
Sweet Grass County	160	20	143	323
Teton County	662	116	244	1,021
Toole County	367	110	255	732
Treasure County	90	32	16	138
Valley County	625	391	332	1,348
Wheatland County	185	82	189	456
Wibaux County	125	24	61	210
Yellowstone County	4,207	4,652	4,576	13,435
Montana	51,328	36,172	37,353	124,853

TABLE 34
HOUSEHOLDS RECEIVING FOOD STAMPS
1989 to 1994
Average Household Cases Per Month

AREA	1989	1990	1991	1992	1993	1994
Beaverhead County	223	230	228	261	274	297
Big Horn County	646	661	681	658	701	747
Blaine County	287	274	244	255	281	288
Broadwater County	83	70	74	101	112	112
Carbon County	179	174	179	198	224	236
Carter County	22	23	25	26	21	29
Cascade County	2,225	2,124	2,274	2,506	2,693	2,725
Chouteau County	73	74	82	78	84	73
Custer County	342	353	364	410	481	490
Daniels County	17	19	22	20	18	27
Dawson County	172	184	217	228	234	229
Deer Lodge County	457	443	441	465	481	505
Fallon County	45	38	50	49	54	51
Fergus County	169	162	160	195	238	233
Flathead County	1,420	1,465	1,653	1,834	1,980	1,953
Gallatin County	759	711	763	802	909	857
Garfield County	12	14	14	11	10	14
Glacier County	748	804	805	849	917	966
Golden Valley County	8	7	11	13	12	15
Granite County	77	73	67	65	65	77
Hill County	589	599	716	715	775	797
Jefferson County	112	99	115	138	165	179
Judith Basin County	25	26	27	33	32	27
Lake County	557	588	658	741	862	877
Lewis and Clark Cnty	1,272	1,263	1,375	1,522	1,647	1,704
Liberty County	13	13	14	18	16	16
Lincoln County	570	537	588	662	738	820
McCone County	17	18	17	18	18	18
Madison County	75	79	88	85	91	92
Meagher County	31	36	38	47	43	50
Mineral County	110	101	117	156	163	189
Missoula County	2,382	2,232	2,254	2,691	2,988	3,006
Musselshell County	86	86	100	125	136	151
Park County	383	380	400	452	485	452
Petroleum County	1	1	1	2	1	2
Phillips County	131	142	153	160	154	176
Pondera County	177	177	182	195	245	230
Powder River County	12	17	18	15	15	23
Powell County	144	123	120	131	154	156
Prairie County	17	20	20	14	13	16
Ravalli County	546	552	613	708	810	832
Richland County	310	282	299	294	307	325
Roosevelt County	428	480	557	683	793	868
Rosebud County	357	397	452	418	414	391
Sanders County	211	218	253	306	339	352
Sheridan County	74	69	72	76	71	77
Silver Bow County	1,505	1,446	1,264	1,481	1,605	1,618
Stillwater County	97	112	121	129	143	126
Sweet Grass County	35	35	40	52	51	64
Teton County	85	91	98	116	109	116
Toole County	101	102	110	122	121	132
Treasure County	17	17	19	22	19	13
Valley County	232	237	233	270	315	327
Wheatland County	38	34	38	43	46	62
Wibaux County	25	28	28	31	33	26
Yellowstone County	2,359	2,514	2,739	2,982	3,260	3,370
Montana	21,088	21,055	22,272	24,677	26,976	27,605

TABLE 35
HOUSEHOLDS RECEIVING FOOD STAMPS
1989 to 1994
Average Recipients Per Month

AREA	1989	1990	1991	1992	1993	1994
Beaverhead County	547	577	581	631	702	701
Big Horn County	2,443	2,477	2,658	2,449	2,644	2,763
Blaine County	999	902	795	837	836	981
Broadwater County	216	174	171	295	309	297
Carbon County	523	493	476	527	595	570
Carter County	55	49	50	59	48	63
Cascade County	5,446	5,179	5,788	6,112	6,489	6,558
Chouteau County	210	218	241	222	227	210
Custer County	837	828	891	992	1,154	1,173
Daniels County	37	44	45	36	32	57
Dawson County	502	508	568	590	587	592
Deer Lodge County	1,097	1,028	1,031	1,094	1,122	1,163
Fallon County	116	102	130	128	134	121
Fergus County	421	400	406	462	598	566
Flathead County	3,876	3,929	4,652	4,849	5,107	5,006
Gallatin County	2,003	1,842	1,938	2,087	2,301	2,110
Garfield County	29	35	31	21	23	38
Glacier County	2,631	2,908	2,835	2,817	2,966	3,072
Golden Valley County	25	22	39	45	36	44
Granite County	214	190	174	163	174	206
Hill County	1,713	1,739	2,050	2,129	2,142	2,170
Jefferson County	291	255	280	343	419	438
Judith Basin County	70	72	78	85	87	79
Lake County	1,724	1,726	1,946	2,204	2,525	2,494
Lewis and Clark Cnty	2,856	2,867	2,977	3,371	3,634	3,872
Liberty County	42	40	32	46	41	42
Lincoln County	1,542	1,439	1,608	1,780	1,982	2,258
McCone County	49	55	56	55	58	56
Madison County	192	218	245	235	248	260
Meagher County	82	96	102	118	104	124
Mineral County	270	282	322	393	426	490
Missoula County	5,590	5,551	5,714	6,571	7,213	7,317
Musselshell County	201	203	254	302	332	363
Park County	849	860	881	1,029	1,109	1,031
Petroleum County	3	3	3	6	2	5
Phillips County	327	337	343	360	332	379
Pondera County	552	560	565	592	725	697
Powder River County	25	42	40	32	35	61
Powell County	366	309	297	303	367	398
Prairie County	41	48	49	38	32	43
Ravalli County	1,530	1,490	1,606	1,824	2,080	2,115
Richland County	874	747	797	768	811	803
Roosevelt County	1,483	1,604	1,789	2,165	2,435	2,650
Rosebud County	1,374	1,437	1,602	1,440	1,414	1,327
Sanders County	582	582	683	809	905	883
Sheridan County	144	138	136	157	148	156
Silver Bow County	3,433	3,144	3,075	3,410	3,666	3,760
Stillwater County	272	302	318	355	372	318
Sweet Grass County	109	103	114	138	132	169
Teton County	154	176	195	249	270	283
Toole County	224	224	234	261	266	316
Treasure County	52	46	51	68	63	41
Valley County	651	664	636	736	825	830
Wheatland County	96	84	104	110	130	168
Wibaux County	61	64	67	77	78	58
Yellowstone County	6,209	6,561	7,106	7,634	8,231	8,374
Montana	56,260	55,983	59,855	64,608	69,844	71,130

This is an annual growth rate of 5.5 percent per year. The number of individuals receiving food stamps has grown from 56,260 per month to 71,130 persons per month, an average rate of growth of 4.8 percent per year. This data is presented in Tables 34 and 35, above. As the number of food stamp recipients has increased, the average benefit per household has been shrinking.

2. DEMOGRAPHIC DATA
RACE

Montana is generally a racially homogeneous state, with almost 93 percent of the population being white. Native Americans make up about 6 percent of the population, with blacks comprising ¼ percent and Asian/Pacific Islanders and Other races each comprising about ½ percent. Table 36, at right, presents the 1990 Census count of population by race and by relevant area designation. Note that some data in the FY95-99 Consolidated Plan has been modified so that all "county" areas include only non-city and non-CDP areas; cities and CDPs have been subtracted from the county total data.

As seen in Table 36, Native Americans comprise the second largest segment of the population; the majority reside on Montana's seven Indian reservations. These include the Blackfeet, the Rocky Boys, the Fort Belknap, the Fort Peck, the Northern Cheyenne, the Crow, and the Flathead Indian reservations. Areas having tribal organizations can have very high Native American concentrations. For example, Glacier County has the largest number of American Indians, who make up 56 percent of the county's population.

Table 37, presents the state's minority populations ranked by percent concentration. Areas of high racial minority concentration are defined as those exceeding 12 percent, which is twice the state's average percent of the largest minority population, Native Americans. By this definition, Glacier, Big Horn, Roosevelt, Blaine, Rosebud, Lake, and Hill counties have the highest concentrations of Native Americans.

TABLE 36
1990 CENSUS RACE DATA

AREA NAME	WHITE	BLACK	ASIAN	NAT AMER	OTHER	TOTAL
Billings city	76945	317	318	2591	880	81151
Bozeman city	21671	74	465	343	107	22660
Great Falls city	51197	464	504	2631	301	55097
Helena city	23377	33	215	658	63	24346
Kalispell city	11582	17	85	211	22	11917
Missoula city	41010	133	619	1011	145	42918
Banner-West Riverside CDP	1821	0	0	33	0	1654
Evergreen CDP	3977	0	10	115	7	4109
Helena Valley Northeast CDP	1705	7	0	49	14	1775
Helena Valley Northwest CDP	1179	0	7	0	45	1231
Helena Valley Southeast CDP	4411	0	14	106	70	4601
Helena Valley W. Central CDP	8226	0	58	43	0	6327
Helena West Side CDP	1842	0	0	26	12	1880
Lockwood CDP	3697	20	23	149	78	3967
Lolo CDP	2713	8	0	25	0	2746
Malmstrom AFB CDP	4999	500	257	91	91	5938
Orchard Homes CDP	9935	13	153	186	30	10317
Sun Prairie CDP	1330	0	0	26	0	1356
Beaverhead County	8281	16	27	73	27	8424
Big Horn County	4939	16	18	6310	53	11337
Blaine County	4040	2	5	2663	18	6728
Broadwater County	3271	0	10	28	9	3318
Carbon County	8001	5	2	49	23	8080
Carter County	1490	0	0	8	5	1503
Cascade County	14763	42	54	392	49	15300
Chouteau County	5216	0	24	207	5	5452
Custer County	11421	16	4	129	127	11697
Daniels County	2261	0	2	3	0	2266
Dawson County	9382	0	16	98	9	9505
Deer Lodge County	9929	21	32	251	45	10278
Fallon County	3080	0	3	14	6	3103
Fergus County	11907	5	18	142	11	12083
Flathead County	42253	39	189	529	182	43192
Gallatin County	27349	6	166	254	28	27803
Garfield County	1581	0	4	4	0	1589
Glacier County	5270	6	27	6807	11	12121
Golden Valley County	899	0	5	3	5	912
Granite County	2522	0	8	18	0	2548
Hill County	14774	0	36	2726	118	17654
Jefferson County	7744	2	14	155	24	7939
Judith Basin County	2269	0	5	6	2	2282
Lake County	16468	6	21	4474	72	21041
Lewis and Clark County	7172	9	37	113	4	7335
Liberty County	2276	4	0	15	0	2295
Lincoln County	17021	3	64	343	50	17481
Madison County	5933	0	7	46	3	5989
McCone County	2247	2	0	27	0	2276
Meagher County	1789	0	2	20	8	1819
Mineral County	3222	4	21	68	0	3315
Missoula County	20428	21	22	544	37	21052
Musselshell County	4056	0	14	21	15	4106
Park County	14279	86	51	79	119	14614
Petroleum County	513	0	0	6	0	519
Phillips County	4768	3	8	368	16	5163
Pondera County	5681	19	29	704	0	6433
Powder River County	2040	0	2	38	10	2090
Powell County	6238	0	14	286	82	6620
Prairie County	1365	0	2	10	6	1383
Ravalli County	24563	18	65	311	53	25010
Richland County	10490	7	10	137	72	10716
Roosevelt County	5604	13	26	5342	14	10999
Rosebud County	7579	12	37	2819	58	10505
Sanders County	8098	6	27	513	25	8669
Sheridan County	4659	0	7	58	8	4732
Silver Bow County	33067	11	191	386	286	33941
Stillwater County	6352	11	23	125	25	6536
Sweet Grass County	3128	0	5	21	0	3154
Teton County	6175	0	13	83	0	6271
Toole County	4960	7	6	73	0	5046
Treasure County	856	0	0	8	10	874
Valley County	7438	0	23	770	8	8239
Wheatland County	2200	0	6	27	13	2246
Wibaux County	1183	0	3	5	0	1191
Yellowstone County	27433	43	122	571	132	28301
Montana	741340	2047	4256	47574	3848	799065

All are areas with tribal lands. However, Indian reservations are not an explicit part of the state's CPS process at this time. Reservations receive their own formula allocations and are required to prepare their own planning documents.

As an interesting anecdote, the Malmstrom AFB CDP area has the state's highest concentrations of other minority populations, where 8.4 percent are black and another 4.3 percent are Asian or Pacific Islander. This is due to the military installation there. No other area in the state has a black racial concentration above 1 percent. Bozeman has the next highest racial minority concentration: Asian or Pacific Islanders at 2.05 percent.

TABLE 37
AREAS OF MINORITY RACIAL CONCENTRATION
1990 CENSUS - PERCENT OF POPULATION

AREA NAME	WHITE	BLACK	ASIAN	NATIVE AMERICAN	OTHER
Glacier County	43.48%	0.05%	0.22%	56.16%	0.09%
Big Horn County	43.57%	0.14%	0.17%	55.88%	0.47%
Roosevelt County	50.95%	0.12%	0.24%	48.57%	0.13%
Blaine County	60.05%	0.03%	0.07%	39.58%	0.27%
Rosebud County	72.16%	0.11%	0.35%	26.83%	0.55%
Lake County	78.27%	0.03%	0.10%	21.26%	0.34%
Hill County	83.69%	0.00%	0.20%	15.44%	0.67%
Pondera County	88.31%	0.30%	0.45%	10.94%	0.00%
Valley County	90.28%	0.00%	0.28%	9.35%	0.10%
Phillips County	92.36%	0.06%	0.15%	7.13%	0.31%
Sanders County	93.41%	0.07%	0.31%	5.92%	0.29%
Great Falls city	92.92%	0.84%	0.91%	4.78%	0.55%
Powell County	94.23%	0.00%	0.21%	4.32%	1.24%
Chouteau County	95.67%	0.00%	0.44%	3.80%	0.09%
Lockwood CDP	93.19%	0.60%	0.68%	3.76%	1.97%
Billings city	94.82%	0.39%	0.39%	3.19%	1.21%
Evergreen CDP	96.79%	0.00%	0.24%	2.80%	0.17%
Helena Valley Northeast CDP	96.06%	0.39%	0.00%	2.76%	0.79%
Helena city	96.02%	0.14%	0.88%	2.70%	0.26%
Missoula County	97.04%	0.10%	0.10%	2.58%	0.18%
Cascade County	96.49%	0.27%	0.35%	2.56%	0.32%
Deer Lodge County	96.60%	0.20%	0.31%	2.44%	0.44%
Missoula city	95.55%	0.31%	1.44%	2.36%	0.34%
Helena Valley Southeast CDP	95.87%	0.00%	0.30%	2.30%	1.52%
Mineral County	97.19%	0.12%	0.63%	2.05%	0.00%
Yellowstone County	96.93%	0.15%	0.43%	2.02%	0.47%
Bonner-West Riverside CDP	98.00%	0.00%	0.00%	2.00%	0.00%
Lincoln County	97.37%	0.02%	0.37%	1.96%	0.29%
Jefferson County	97.54%	0.03%	0.18%	1.95%	0.30%
Sun Prairie CDP	98.08%	0.00%	0.00%	1.92%	0.00%
Stillwater County	97.18%	0.17%	0.35%	1.91%	0.38%
Powder River County	97.61%	0.00%	0.10%	1.82%	0.48%
Orchard Homes CDP	96.30%	0.13%	1.48%	1.80%	0.29%
Kalispell city	97.19%	0.14%	0.71%	1.77%	0.18%
Lewis and Clark County	97.78%	0.12%	0.50%	1.54%	0.05%
Malmstrom AFB CDP	84.19%	8.42%	4.33%	1.53%	1.53%
Bozeman city	95.64%	0.33%	2.05%	1.51%	0.47%
Montana	92.78%	0.26%	0.53%	5.95%	0.48%

ETHNICITY

Hispanic ethnicity concentrations are quite low in Montana. The 1990 Census indicates that the state has an average Hispanic concentration of only 1.5 percent. HUD guidelines call for identification of areas of ethnic concentration. Using Montana's previous CHAS definition for concentrations (in this case, twice the state's average ethnicity, or 3 percent), one sees that few areas fit the description. Table 38, presents this data. Only two areas in Montana have relative concentrations of Hispanic people, Malmstrom AFB and Lockwood CDP.

TABLE 38
HISPANIC CONCENTRATION
1990 CENSUS - PERCENT

AREA NAME	PERCENT
Malmstrom AFB CDP	5.05%
Lockwood CDP	4.26%
Billings city	2.92%
Helena West Side CDP	2.55%
Helena Valley Northwest CDP	2.52%
Big Horn County	2.32%
Rosebud County	2.29%
Silver Bow County	2.23%
Evergreen CDP	2.21%
Treasure County	2.17%
Richland County	2.03%
Montana	1.52%

MINORITY RACE AND INCOME CONCENTRATIONS

In accordance with HUD proposed rules, disproportional need computations are required. According to HUD's proposed rules, disproportionate need occurs when the percent of persons in the subcategory is 10 percentage points higher than the percent of persons in the category as a whole. In certain areas of Montana, minority needs are disproportionately high when using this calculation. In the state, Native Americans are by far the largest minority group, having nearly 6 percent of the population. Native American households also make up 4.36 percent of the total households in the state. For members of this group falling into in-need groups, such as very low or extremely low

income, a percent of households in excess of 14.36 percent are considered in disproportionate need. Tables 39 through 46, on the following pages, list the areas of disproportionate need for Native Americans households by county. Tables 39 to 42 refer to renter households, Tables 43 to 46 include owner households.

TABLE 39
NATIVE AMERICAN CONCENTRATIONS OVER STATE AVERAGE POPULATION RENTER HOUSEHOLDS

TOTAL RENTER HH 0-30% MFI		TOTAL RENTER HH 31-50% MFI		TOTAL RENTER HH 51-80% MFI	
Glacier County	87.11%	Roosevelt County	66.67%	Glacier County	66.96%
Roosevelt County	74.57%	Glacier County	58.00%	Big Horn County	53.30%
Big Horn County	71.61%	Big Horn County	53.77%	Roosevelt County	51.94%
Blaine County	62.16%	Blaine County	50.64%	Blaine County	27.60%
Rosebud County	44.44%	Lake County	34.66%	Rosebud County	25.28%
Lake County	43.18%	Rosebud County	28.97%	Lake County	16.66%
Hill County	34.42%	Hill County	19.08%	Hill County	16.44%
Golden Valley County	30.00%				
Pondera County	29.69%				
Valley County	23.36%				
Phillips County	20.39%				
Toole County	15.74%				
Cascade County	15.04%				
Powell County	14.88%				

TABLE 40
NATIVE AMERICAN CONCENTRATIONS OVER STATE AVERAGE POPULATION RENTER HOUSEHOLDS

ELDERLY RENTER HH 0-30% MFI		ELDERLY RENTER HH 31-50% MFI		ELDERLY RENTER HH 51-80% MFI	
Glacier County	64.06%	Blaine County	37.04%	Glacier County	28.57%
Pondera County	52.17%	Glacier County	28.03%	Roosevelt County	18.92%
Roosevelt County	33.33%	Lake County	23.59%		
Big Horn County	26.83%				
Blaine County	24.14%				

TABLE 41
NATIVE AMERICAN CONCENTRATIONS OVER STATE AVERAGE POPULATION RENTER HOUSEHOLDS

SMALL RELATED RENTER HH 0-30% MFI		SMALL RELATED RENTER HH 31-50% MFI		SMALL RELATED RENTER HH 51-80% MFI	
Glacier County	95.17%	Glacier County	71.77%	Glacier County	70.30%
Roosevelt County	85.36%	Roosevelt County	68.70%	Roosevelt County	67.20%
Big Horn County	76.36%	Blaine County	66.04%	Big Horn County	63.72%
Blaine County	76.00%	Rosebud County	60.00%	Powell County	41.46%
Hill County	61.81%	Big Horn County	46.58%	Rosebud County	31.40%
Lake County	56.30%	Lake County	40.00%	Blaine County	29.33%
Rosebud County	48.48%	Valley County	39.47%	Hill County	23.27%
Valley County	32.76%	Hill County	29.67%	Lake County	22.34%
Toole County	32.00%	Sanders County	26.47%	Broadwater County	21.88%
Powell County	28.57%	Pondera County	16.38%	Pondera County	16.90%
Phillips County	24.00%				
Cascade County	21.99%				
Chouteau County	21.62%				
Pondera County	20.61%				
Yellowstone County	16.91%				

TABLE 42
NATIVE AMERICAN CONCENTRATIONS OVER STATE AVERAGE POPULATION RENTER HOUSEHOLDS

LARGE RELATED RENTER HH 0-30% MFI		LARGE RELATED RENTER HH 31-50% MFI		LARGE RELATED RENTER HH 51-80% MFI	
Big Horn County	100.00%	Stillwater County	100.00%	Glacier County	91.67%
Glacier County	100.00%	Big Horn County	97.18%	Roosevelt County	78.00%
Roosevelt County	87.67%	Roosevelt County	93.62%	Big Horn County	77.36%
Rosebud County	87.10%	Blaine County	88.67%	Pondera County	76.47%
Blaine County	86.42%	Glacier County	78.79%	Blaine County	46.46%
Valley County	83.33%	Hill County	70.27%	Hill County	39.13%
Fergus County	76.00%	Pondera County	68.67%	Rosebud County	34.21%
Hill County	68.62%	Rosebud County	34.00%	Lake County	33.33%
Lake County	46.61%	Lake County	32.31%	Prairie County	33.33%
Phillips County	38.10%	Park County	25.00%		
Cascade County	31.38%				
Missoula County	23.30%				
Yellowstone County	22.96%				
Sweet Grass County	20.00%				

TABLE 43
NATIVE AMERICAN CONCENTRATIONS OVER STATE AVERAGE POPULATION OWNER HOUSEHOLDS

TOTAL OWNER HH 0-30% MFI		TOTAL OWNER HH 31-50% MFI		TOTAL OWNER HH 51-80% MFI	
Glacier County	79.66%	Glacier County	66.45%	Big Horn County	50.00%
Big Horn County	64.39%	Rosebud County	48.31%	Glacier County	47.99%
Rosebud County	48.76%	Blaine County	46.34%	Roosevelt County	33.63%
Roosevelt County	44.31%	Roosevelt County	42.70%	Rosebud County	26.89%
Blaine County	26.88%	Big Horn County	40.86%	Blaine County	24.02%
Phillips County	23.48%	Lake County	16.94%	Lake County	16.96%
Hill County	21.64%	Pondera County	16.33%		
Pondera County	18.99%				
Lake County	17.67%				

TABLE 44
NATIVE AMERICAN CONCENTRATIONS OVER STATE AVERAGE POPULATION OWNER HOUSEHOLDS

ELDERLY OWNER HH 0-30% MFI		ELDERLY OWNER HH 31-50% MFI		ELDERLY OWNER HH 51-80% MFI	
Glacier County	46.16%	Glacier County	27.78%	Roosevelt County	26.70%
Big Horn County	39.61%	Roosevelt County	20.30%	Big Horn County	23.60%
Pondera County	34.62%	Rosebud County	17.19%	Rosebud County	22.22%
Blaine County	21.87%	Blaine County	16.63%	Glacier County	18.37%
Roosevelt County	19.28%				
Phillips County	17.81%				

TABLE 45
NATIVE AMERICAN CONCENTRATIONS OVER STATE AVERAGE POPULATION OWNER HOUSEHOLDS

SMALL RELATED OWNER HH 0-30% MFI		SMALL RELATED OWNER HH 31-50% MFI		SMALL RELATED OWNER HH 51-80% MFI	
Glacier County	86.36%	Roosevelt County	73.33%	Glacier County	73.17%
Big Horn County	74.65%	Glacier County	69.61%	Big Horn County	43.61%
Roosevelt County	47.69%	Blaine County	62.50%	Roosevelt County	32.14%
Rosebud County	38.10%	Big Horn County	59.09%	Blaine County	25.00%
Hill County	25.42%	Pondera County	50.00%	Petroleum County	25.00%
Phillips County	23.08%	Powell County	48.00%	Lake County	19.14%
Lake County	20.77%	Rosebud County	46.36%	Rosebud County	15.57%
		Hill County	21.05%	Sanders County	15.52%
		Lake County	17.98%		
		Deer Lodge County	14.81%		

TABLE 46
NATIVE AMERICAN CONCENTRATIONS OVER STATE AVERAGE POPULATION OWNER HOUSEHOLDS

LARGE RELATED OWNER HH 0-30% MFI		LARGE RELATED OWNER HH 31-50% MFI		LARGE RELATED OWNER HH 51-80% MFI	
Rosebud County	100.00%	Blaine County	91.30%	Rosebud County	77.27%
Big Horn County	95.24%	Big Horn County	83.10%	Big Horn County	77.19%
Glacier County	95.06%	Roosevelt County	79.49%	Glacier County	76.92%
Hill County	75.61%	Rosebud County	78.26%	Pondera County	59.38%
Roosevelt County	74.29%	Glacier County	76.92%	Blaine County	49.32%
Blaine County	63.16%	Valley County	64.55%	Roosevelt County	45.36%
Phillips County	60.00%	Hill County	45.28%	Lake County	37.50%
Wheatland County	60.00%	Lake County	38.24%	Phillips County	35.29%
Chouteau County	50.00%	Phillips County	25.00%	Hill County	30.38%
Lake County	32.43%			Jefferson County	15.00%
Sanders County	30.95%				
Pondera County	26.09%				

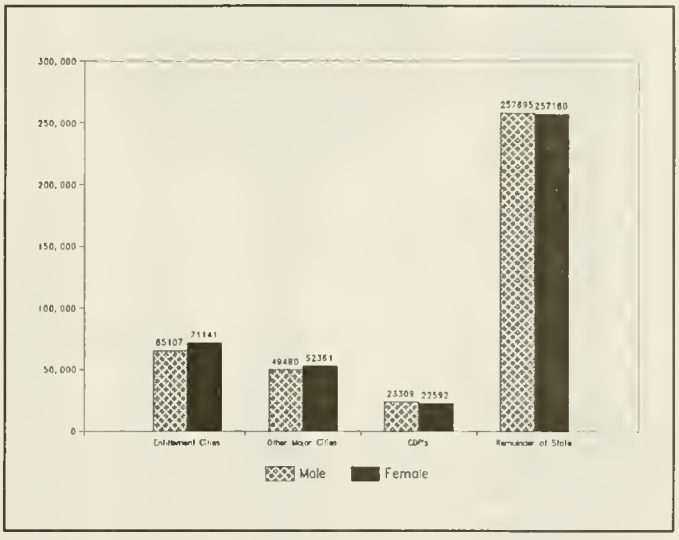
The purpose of these computations is to identify areas of disproportional concentrations, thereby inferring degree of need. Once completed, such data is intended to guide strategy formulation and policy decision making. However, data included in these tables is sometimes misleading for two reasons. Some counties have very low numbers of persons in an income category and in-need group (e.g. very low-income large related renter households). In these areas, if *any* Native Americans were in that grouping, the percentage would reach 100 percent. As well, several county areas have tribal lands; as such, high Native American concentrations

would indeed be the expected norm, rather than the exception. Explicit identification of geographic areas falling under the domain of the State of Montana and its Consolidated Plan and the Tribal Lands, and their respective housing and community development plans, is therefore somewhat clouded. Hence, explicit policy conclusions cannot be drawn directly from these data alone.

GENDER

Montana is in essence a gender-balanced state, with about 49.5 percent of the population male, and 50.5 percent female. The major cities tend to have slightly more females than males, and the rural areas tend to have more males. Diagram 16, at right, portrays the area distinctions.

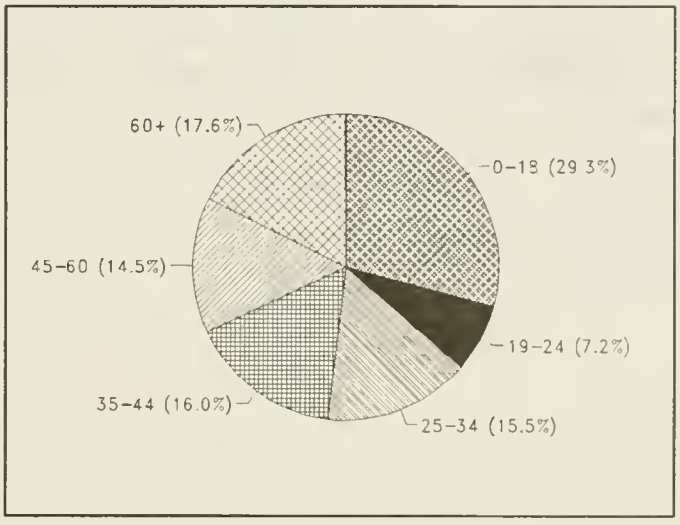
DIAGRAM 16
SEX BY GEOGRAPHIC AREA
1990 CENSUS



AGE

The largest segment of the population is the young, from 0 to 18 years of age. This group comprises 29.3 percent of the total population. However, the population of Montana is somewhat older than that of the nation as a whole; the 1990 median age in Montana was 33.8 while the national median age was 32.9. The elderly (60 years of age and older) also have a significant representation in the age distribution of Montana, at 17.6 percent. Diagram 17, at right, presents the statewide age breakdowns. Table 47, presents area age cohorts.

DIAGRAM 17
STATE AGE DISTRIBUTION
1990 CENSUS



The 35-44 group follows as the third largest age class in the state, at 16 percent. The 25-34 year old group has 15.5 percent, the 45-60 group has 14.5 percent, and the 19-24 year old group has the smallest representation, with 7.2 percent of the total population.

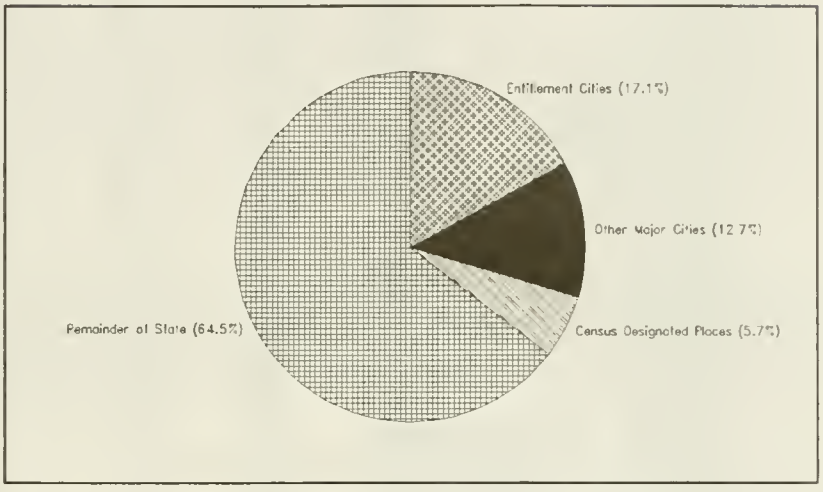
TABLE 47
AGE COHORTS - 1990 CENSUS

AREA NAME	PERSONS 18 AND UNDER	PERSONS 19-24	PERSONS 25-34	PERSONS 35-44	PERSONS 45-59	PERSONS 60 AND OLDER	TOTAL PERSONS
Billings city	22,033	6,486	14,096	12,433	11,687	14,416	81,151
Bozeman city	4,714	8,288	4,102	2,883	2,155	2,418	22,660
Great Falls city	15,144	3,835	9,068	8,076	8,399	10,475	55,097
Helena city	6,428	2,006	3,780	4,191	3,603	4,338	24,346
Kalispell city	3,037	817	1,784	1,871	1,548	2,860	11,917
Missoula city	10,374	6,548	7,635	6,872	4,831	6,658	42,918
Bonner-West Riverside CDP	514	160	291	302	211	176	1,654
Evergreen CDP	1,347	272	717	864	584	545	4,109
Helena Valley Northeast CDP	724	84	258	306	226	178	1,775
Helena Valley Northwest CDP	487	21	198	290	181	53	1,231
Helena Valley Southeast CDP	1,712	285	905	781	584	334	4,601
Helena Valley West Central CDP	2,085	345	962	1,198	1,020	717	6,327
Helena West Side CDP	424	55	323	317	325	436	1,880
Lockwood CDP	1,394	223	719	733	485	413	3,967
Lolo CDP	1,009	128	491	588	303	227	2,746
Malmstrom AFB CDP	2,188	1,313	1,844	549	19	25	5,938
Orchard Homes CDP	2,836	934	1,818	1,819	1,446	1,464	10,317
Sun Prairie CDP	522	79	222	237	230	66	1,356
Beaverhead County	2,511	782	1,253	1,206	1,306	1,366	8,424
Big Horn County	4,318	838	1,754	1,628	1,514	1,287	11,337
Blaine County	2,349	409	945	928	923	1,174	6,728
Broadwater County	1,012	122	453	517	527	687	3,318
Carbon County	2,257	214	1,000	1,301	1,188	2,120	8,080
Carter County	400	71	210	194	274	354	1,503
Cascade County	4,564	748	2,261	2,523	2,717	2,487	15,300
Chouteau County	1,610	211	757	851	791	1,232	5,452
Custer County	3,467	586	1,709	1,807	1,633	2,495	11,697
Daniels County	599	80	236	356	386	609	2,266
Dawson County	2,825	495	1,347	1,308	1,596	1,934	9,505
Deer Lodge County	2,557	714	1,301	1,452	1,675	2,579	10,278
Fallon County	987	103	452	448	489	644	3,103
Fergus County	3,405	478	1,624	1,748	1,701	3,126	12,083
Flathead County	13,190	1,871	6,248	8,222	6,766	6,895	43,192
Gallatin County	8,539	1,646	4,843	5,487	3,815	3,473	27,803
Garfield County	502	61	218	215	242	351	1,589
Glacier County	4,630	806	2,001	1,533	1,602	1,549	12,121
Golden Valley County	262	44	120	125	141	220	912
Granite County	685	134	326	361	446	596	2,548
Hill County	5,652	1,373	2,866	2,489	2,470	2,804	17,654
Jefferson County	2,448	352	1,153	1,618	1,259	1,109	7,939
Judith Basin County	621	78	319	359	364	541	2,282
Lake County	6,675	1,172	2,776	3,149	2,906	4,363	21,041
Lewis and Clark County	2,163	325	1,082	1,484	1,042	1,239	7,335
Liberty County	752	81	355	301	347	459	2,295
Lincoln County	5,427	836	2,381	2,922	3,000	2,915	17,481
Madison County	1,584	312	819	955	932	1,387	5,989
McCone County	696	96	310	355	327	492	2,276
Meagher County	502	81	254	272	304	406	1,819
Mineral County	896	122	491	521	537	648	3,315
Missoula County	6,766	1,171	3,304	3,963	3,486	2,362	21,052
Musselshell County	1,097	183	455	720	558	1,093	4,106
Park County	3,875	620	2,201	2,787	2,185	2,946	14,614
Petroleum County	148	36	71	87	77	102	519
Phillips County	1,621	259	784	709	781	1,009	5,163
Pondera County	2,069	296	970	842	885	1,371	6,433
Powder River County	606	106	274	334	302	468	2,090
Powell County	1,608	536	971	1,349	905	1,251	6,620
Prairie County	349	40	134	207	215	438	1,383
Ravalli County	7,192	1,186	2,962	3,956	4,169	5,545	25,010
Richland County	3,543	518	1,697	1,709	1,346	1,903	10,716
Roosevelt County	4,066	641	1,800	1,477	1,388	1,627	10,999
Rosebud County	3,949	666	1,666	1,803	1,413	1,008	10,505
Sanders County	2,590	387	1,103	1,475	1,283	1,831	8,669
Sheridan County	1,290	151	593	658	745	1,295	4,732
Silver Bow County	8,993	2,525	4,936	4,988	5,107	7,392	33,941
Stillwater County	1,898	287	902	1,035	1,024	1,380	6,536
Sweet Grass County	876	96	373	516	482	811	3,154
Teton County	1,897	298	809	950	930	1,387	6,271
Toole County	1,542	215	737	776	721	1,055	5,046
Treasure County	261	44	115	125	144	185	874
Valley County	2,379	381	1,112	1,273	1,268	1,826	8,239
Wheatland County	636	118	268	279	371	574	2,246
Wibaux County	339	53	161	181	158	298	1,191
Yellowstone County	9,120	1,307	4,437	5,024	4,588	3,825	28,301
Montana	233,863	57,351	123,913	128,067	115,548	140,323	799,065

POPULATION DISTRIBUTION

Sixty-five percent of Montana's population resides in small towns and rural areas of the state. The two entitlement cities,[16] Billings and Great Falls, have over 17 percent of the state's population, with the other major cities combined containing about 12.7 percent of the total population. The population residing in areas surrounding the larger cities (i.e., CDPs) comprises 5.7 percent of the state population. These figures are displayed in Diagram 18, at right.

DIAGRAM 18
DISTRIBUTION OF POPULATION BY AREA
1990 CENSUS



HOUSEHOLDS, FAMILIES, AND HOUSEHOLD SIZE

There were 306,919 Montana households reported in the 1990 Census. For this report, households have been distinguished according to the following types: individual households, family households, elderly individual households, elderly family households, and two or more person non-family households. The fundamental distinction between these household types is their housing size requirements. A further distinction is made between elderly and non-elderly households.

The predominant household type in Montana is the family household, which represents 51 percent of all Montana households. Two-person households without children also represent a large household group, followed by single households. All remaining households types represent 40 percent of the population. Just as the elderly represent a significant portion of the population, they represent a significant portion of Montana's households. Of all households in the state, about 30 percent are elderly households. Accordingly, elderly families occupy over half of the two-person households in the state and just under half of all one-person households. Data representing all the state areas for family households, urban, rural, and total households is portrayed on the following page in Table 48.

[16] An entitlement city is defined as a metropolitan area with a population of 50,000 or more people. Entitlement cities submit their own Consolidated Plan Submissions.

TABLE 48

FAMILY, HOUSEHOLD, AND POPULATION CHARACTERISTICS - 1990 CENSUS

AREA NAME	FAMILIES	HOUSEHOLDS	PERSONS PER HOUSEHOLD	URBAN POPULATION	RURAL POPULATION	TOTAL POPULATION
Billings city	21,816	33,284	2.44	81,151	0	81,151
Bozeman city	4,585	8,724	2.60	22,660	0	22,660
Great Falls city	15,086	22,647	2.43	55,097	0	55,097
Helena city	6,340	10,421	2.34	24,346	0	24,346
Kalispell city	3,123	5,254	2.27	11,917	0	11,917
Missoula city	10,163	17,765	2.42	42,918	0	42,918
Bonner-West Riverside CDP	462	654	2.53	0	1,654	1,654
Evergreen CDP	1,095	1,538	2.67	4,109	0	4,109
Helena Valley Northeast CDP	447	537	3.31	0	1,775	1,775
Helena Valley Northwest CDP	324	379	3.25	0	1,231	1,231
Helena Valley Southeast CDP	1,250	1,575	2.92	4,601	0	4,601
Helena Valley West Central CDP	1,803	2,235	2.83	6,327	0	6,327
Helena West Side CDP	549	766	2.45	0	1,880	1,880
Lockwood CDP	1,076	1,374	2.89	3,967	0	3,967
Lolo CDP	772	925	2.97	2,746	0	2,748
Malmstrom AFB CDP	1,423	1,441	4.12	5,938	0	5,938
Orchard Homes CDP	2,890	4,219	2.45	10,317	0	10,317
Sun Prairie CDP	412	440	3.08	0	1,356	1,356
Beaverhead County	2,153	3,166	2.68	3,991	4,433	8,424
Big Horn County	2,690	3,395	3.34	2,940	8,397	11,337
Blaine County	1,708	2,385	2.82	0	6,728	6,728
Broadwater County	948	1,309	2.53	0	3,318	3,318
Carbon County	2,334	3,309	2.44	0	8,080	8,080
Carter County	409	587	2.56	0	1,503	1,503
Cascade County	4,368	5,678	2.69	2,496	12,804	15,300
Chouteau County	1,563	2,096	2.60	0	5,452	5,452
Custer County	3,100	4,599	2.54	8,461	3,236	11,697
Daniels County	634	922	2.46	0	2,266	2,266
Dawson County	2,666	3,719	2.56	4,802	4,703	9,505
Deer Lodge County	2,670	4,068	2.53	7,517	2,761	10,278
Fallon County	873	1,170	2.65	0	3,103	3,103
Fergus County	3,256	4,634	2.61	6,051	6,032	12,083
Flathead County	12,180	16,064	2.69	7,466	35,726	43,192
Gallatin County	7,904	10,383	2.68	3,411	24,392	27,803
Garfield County	441	581	2.73	0	1,589	1,589
Glacier County	2,859	3,786	3.20	3,329	8,792	12,121
Golden Valley County	224	319	2.86	0	912	912
Granite County	716	1,053	2.42	0	2,548	2,548
Hill County	4,517	6,411	2.75	10,322	7,332	17,654
Jefferson County	2,139	2,833	2.80	0	7,939	7,939
Judith Basin County	666	917	2.49	0	2,282	2,282
Lake County	5,766	7,891	2.67	3,254	17,787	21,041
Lewis and Clark County	2,076	2,835	2.59	0	7,335	7,335
Liberty County	579	801	2.87	0	2,295	2,295
Lincoln County	4,926	6,735	2.60	2,644	14,837	17,481
Madison County	1,640	2,367	2.53	0	5,989	5,989
McCone County	659	855	2.66	0	2,276	2,276
Meagher County	478	712	2.55	0	1,819	1,819
Mineral County	881	1,311	2.53	0	3,315	3,315
Missoula County	5,994	7,455	2.82	3,771	17,281	21,052
Musselshell County	1,126	1,668	2.46	0	4,106	4,106
Park County	3,815	5,629	2.60	6,701	7,913	14,614
Petroleum County	161	212	2.45	0	519	519
Phillips County	1,377	1,943	2.66	0	5,163	5,163
Pondera County	1,571	2,156	2.98	2,850	3,583	6,433
Powder River County	585	807	2.59	0	2,090	2,090
Powell County	1,536	2,245	2.95	3,344	3,276	6,620
Prairie County	410	565	2.45	0	1,383	1,383
Ravalli County	6,932	9,608	2.60	2,737	22,273	25,010
Richland County	2,954	4,009	2.67	5,217	5,499	10,716
Roosevelt County	2,758	3,673	2.99	2,880	8,119	10,999
Rosebud County	2,629	3,476	3.02	3,185	7,320	10,505
Sanders County	2,398	3,425	2.53	0	8,669	8,669
Sheridan County	1,353	1,894	2.50	0	4,732	4,732
Silver Bow County	9,072	13,825	2.46	31,415	2,526	33,941
Stillwater County	1,920	2,579	2.53	0	6,536	6,536
Sweet Grass County	867	1,278	2.47	0	3,154	3,154
Teton County	1,683	2,349	2.67	0	6,271	6,271
Toole County	1,304	1,905	2.65	2,763	2,283	5,046
Treasure County	260	344	2.54	0	874	874
Valley County	2,296	3,259	2.53	3,574	4,665	8,239
Wheatland County	565	857	2.62	0	2,246	2,246
Wibaux County	324	470	2.53	0	1,191	1,191
Yellowstone County	8,115	10,219	2.77	8,774	19,527	28,301
Montana	213,625	306,919	2.60	419,989	379,076	799,065

FAMILIES

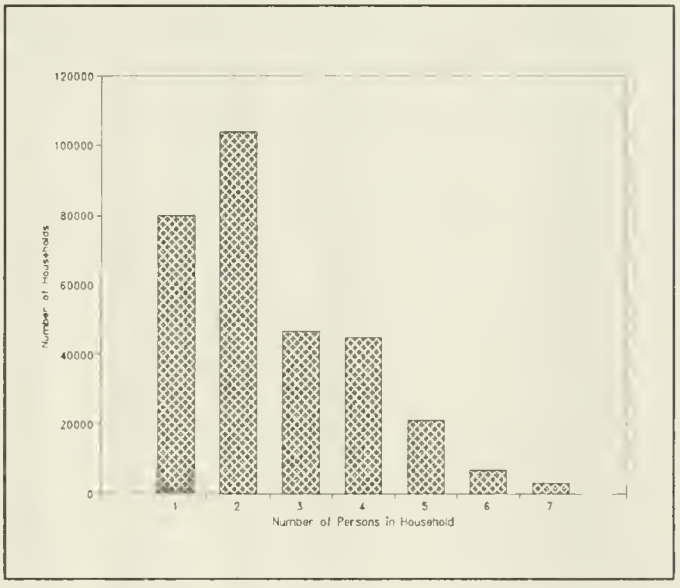
Of the 211,650 families in Montana, 61.5 percent live in rural areas. Montana families are generally headed by married couples. The number of households headed by single persons is significant and is of particular importance in a discussion of affordable housing. Married couples represent 83.4 percent of the state's family types. Of the married couples, 48.6 percent have children, while 51.4 percent have no children. Elderly families, which generally consist of only husband and wife, comprise a large portion of the married couples with no children. The concentrations of couples is higher in rural areas of the state. Conversely, there are higher concentrations of households headed by single persons in the major cities.

There are currently 35,139 family households in Montana headed by single persons. This represents nearly 17 percent of the family households. Seventy-one percent of these households have children present. Furthermore, 75 percent of these households are headed by single women who are generally more likely to have children than single men.

HOUSEHOLD SIZE

Household size also varies significantly throughout the state. Diagram 19 presents households separated by the number of people in each household. Note that the two largest groups of households are one- and two-person households. The number of persons per household ranges from a high of 4.12 at Malmstrom Air Force Base CDP to a low of 2.27 in Kalispell. Montana has an average of 2.60 persons per household. Specific area data relating to household size by number of persons per household is presented in Table 49, on the following page.

DIAGRAM 19
HOUSEHOLDS BY PERSONS PER HOUSEHOLD
1990 CENSUS



RENTERS AND HOMEOWNERS

Just over 67 percent of Montana's occupied housing units are occupied by their owner (owner occupied); the remaining 33 percent are renter-occupied. The rate of home ownership is much higher in the rural areas of the state (72.6 percent) than in the major cities (only 59.8 percent). As is true of the nation as a whole, the largest single group of homeowners in Montana is the elderly. Of all the owner-occupied units in Montana, 26.4 percent are occupied by those 65 years of age and older. This is true of both the major cities and rural Montana.

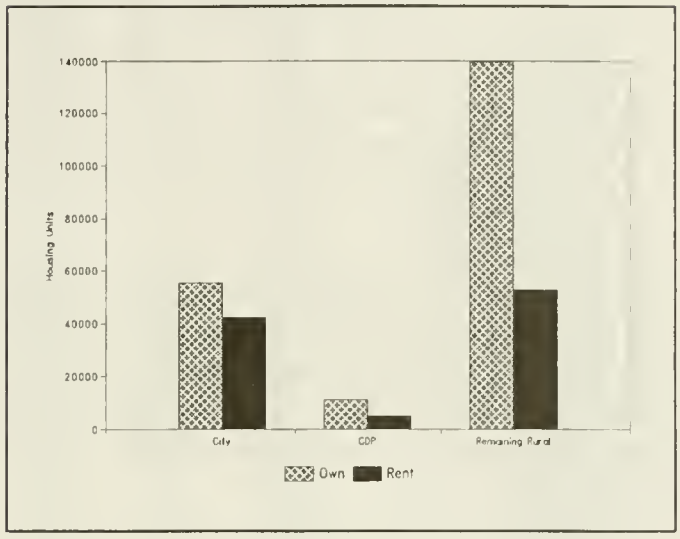
TABLE 49

NUMBER OF HOUSEHOLDS BY PERSONS PER HOUSEHOLD - 1990 CENSUS

AREA NAME	NUMBER OF PERSONS PER HOUSEHOLD							
	1	2	3	4	5	6	7	TOTAL HOUSEHOLDS
Billings city	9,696	11,348	5,138	4,464	1,954	447	237	33,284
Bozeman city	2,630	3,248	1,414	952	380	81	19	8,724
Great Falls city	6,639	7,774	3,395	3,037	1,168	414	220	22,647
Helena city	3,603	3,265	1,525	1,355	487	101	85	10,421
Kalispell city	1,915	1,720	710	572	247	63	27	5,254
Missoula city	5,850	6,019	2,671	2,018	801	293	113	17,765
Bonner-West Riverside CDP	158	179	129	157	11	20	0	654
Evergreen CDP	348	485	288	230	118	46	23	1,538
Helena Valley Northeast CDP	84	154	79	104	92	21	3	537
Helena Valley Northwest CDP	31	106	77	97	45	23	0	379
Helena Valley Southeast CDP	266	439	324	312	193	28	13	1,575
Helena Valley West Central CDP	359	740	409	420	263	30	14	2,235
Helena West Side CDP	188	288	173	76	17	7	17	766
Lookwood CDP	239	414	255	277	125	48	16	1,374
Lolo CDP	119	285	167	215	81	36	18	925
Malmstrom AFB CDP	18	251	420	503	188	61	0	1,441
Orchard Homes CDP	1,020	1,480	742	627	247	79	24	4,219
Sun Prairie CDP	20	152	126	101	18	8	15	440
Beaverhead County	877	1,082	451	437	208	66	45	3,166
Big Horn County	636	815	554	599	376	182	233	3,395
Blaine County	630	686	328	354	221	89	77	2,385
Broadwater County	318	473	192	181	105	33	7	1,309
Carbon County	900	1,227	428	450	225	48	31	3,309
Carter County	166	175	96	79	57	14	0	587
Cascade County	1,155	2,010	964	913	435	155	46	5,678
Chouteau County	506	744	303	316	173	42	12	2,096
Custer County	1,356	1,514	657	631	318	89	34	4,599
Daniels County	274	329	112	110	64	31	2	922
Dawson County	991	1,269	517	572	274	74	22	3,719
Deer Lodge County	1,306	1,321	620	549	176	60	36	4,068
Fallon County	280	411	150	164	128	31	6	1,170
Fergus County	1,263	1,658	621	608	353	84	47	4,634
Flathead County	3,288	5,722	2,558	2,759	1,192	420	125	16,064
Gallatin County	1,963	3,724	1,692	1,811	869	220	104	10,383
Garfield County	139	182	84	98	45	22	11	581
Glacier County	838	994	571	594	412	248	129	3,786
Golden Valley County	87	111	43	44	23	7	4	319
Granite County	312	385	151	141	43	32	8	1,053
Hill County	1,670	1,946	957	1,067	533	145	93	6,411
Jefferson County	617	978	407	500	240	69	22	2,833
Judith Basin County	243	348	120	135	59	9	3	917
Lake County	1,877	2,847	1,153	1,040	582	243	149	7,891
Lewis and Clark County	627	1,074	469	408	162	58	37	2,835
Liberty County	217	251	97	127	65	28	16	801
Lincoln County	1,638	2,403	1,013	993	466	139	83	6,735
Madison County	654	841	320	323	170	42	17	2,367
McCone County	187	306	106	154	65	29	8	855
Meagher County	211	265	96	79	46	11	4	712
Mineral County	337	494	165	179	90	24	22	1,311
Missoula County	1,178	2,521	1,337	1,419	685	213	102	7,455
Musselshell County	506	553	208	219	113	49	20	1,668
Park County	1,539	2,021	780	747	350	152	40	5,629
Petroleum County	47	90	30	27	11	4	3	212
Phillips County	519	612	294	282	182	28	26	1,943
Pondera County	545	716	276	332	209	50	28	2,156
Powder River County	213	267	125	117	58	19	8	807
Powell County	633	786	347	306	135	19	19	2,245
Prairie County	153	220	71	75	26	11	9	565
Ravalli County	2,348	3,850	1,410	1,311	570	195	124	9,808
Richland County	969	1,298	609	615	375	114	29	4,009
Roosevelt County	856	975	568	591	389	196	118	3,673
Rosebud County	737	905	565	611	392	131	135	3,476
Sanders County	929	1,200	467	435	269	88	37	3,425
Sheridan County	507	710	237	278	103	50	9	1,894
Silver Bow County	4,383	4,366	2,039	1,841	866	291	39	13,825
Stillwater County	602	930	384	408	180	49	26	2,579
Sweet Grass County	382	451	166	163	73	39	4	1,278
Teton County	618	854	281	312	204	46	34	2,349
Toole County	564	818	285	249	141	41	7	1,905
Treasure County	82	119	59	52	23	7	2	344
Valley County	903	1,078	451	475	261	57	34	3,259
Wheatland County	276	308	86	98	70	18	1	857
Wibaux County	137	156	59	63	24	23	8	470
Yellowstone County	1,842	3,473	1,733	1,903	865	333	70	10,219
Montana	80,214	103,789	46,904	44,865	21,164	6,773	3,210	306,919

Overall, the 35-44 age group has the second highest rate of home ownership in both rural areas and in major cities. The total number of housing units was 361,155 according to the 1990 Census; over 15 percent of the units were vacant. Diagram 20 displays the number of households, by ownership status, in each of the three geographic area designations addressed herein. Area statistics that describe homeowners and renters are presented in Table 50.

DIAGRAM 20
RENTERS AND OWNERS BY GEOGRAPHIC AREA
1990 CENSUS



The people most likely to rent in Montana, in both rural areas and in major cities, are in the 25-35 age group. Given that people in this age category are more likely to live in the cities and occupy an individual unit, and that home ownership is less affordable in the major cities, there is an indication of a need for assistance to young adults who are first-time buyers in acquiring a home. Those least likely to rent are in the 45-54 year old group.

TABLE 50
HOUSING UNITS BY OCCUPANCY STATUS - 1990 CENSUS

AREA NAME	OCCUPIED UNITS	VACANT UNITS	URBAN UNITS	RURAL UNITS	OWNER OCCUPIED	RENTAL OCCUPIED	TOTAL UNITS
Billings city	33,181	2,783	35,964	0	20,297	12,884	35,964
Bozeman city	8,751	366	9,117	0	3,519	5,232	9,117
Great Falls city	22,639	1,518	24,157	0	14,207	8,432	24,157
Helena city	10,316	630	10,946	0	5,851	4,465	10,946
Kalispell city	5,237	300	5,537	0	2,826	2,411	5,537
Missoula city	17,677	811	18,488	0	8,750	8,927	18,488
Bonner-West Riverside CDP	661	59	0	720	387	274	720
Evergreen CDP	1,548	87	1,635	0	1,106	442	1,635
Helena Valley Northeast CDP	581	16	0	597	501	80	597
Helena Valley Northwest CDP	388	35	0	423	356	32	423
Helena Valley Southeast CDP	1,564	79	1,643	0	1,341	223	1,643
Helena Valley West Central CDP	2,205	76	2,281	0	1,892	313	2,281
Helena West Side CDP	731	48	0	779	581	150	779
Lockwood CDP	1,368	132	1,500	0	1,090	278	1,500
Lolo COP	913	40	953	0	716	197	953
Malmstrom AFB CDP	1,415	81	1,496	0	90	1,325	1,496
Orchard Homes CDP	4,169	170	4,339	0	2,505	1,664	4,339
Sun Prairie COP	410	41	0	451	381	29	451
Beaverhead County	3,211	917	1,804	2,324	1,975	1,236	4,128
Big Horn County	3,448	856	1,303	3,001	2,160	1,288	4,304
Blaine County	2,379	551	0	2,930	1,479	900	2,930
Broadwater County	1,280	313	0	1,593	959	321	1,593
Carbon County	3,269	1,559	0	4,828	2,408	861	4,828
Carter County	589	227	0	816	456	133	816
Cascade County	5,669	1,290	1,075	5,884	4,509	1,160	6,959
Chouteau County	2,064	604	0	2,668	1,431	633	2,668
Custer County	4,631	774	4,006	1,399	3,100	1,531	5,405
Daniels County	919	301	0	1,220	730	189	1,220
Dawson County	3,691	796	2,391	2,096	2,685	1,006	4,487
Deer Lodge County	4,060	770	3,559	1,271	2,961	1,099	4,830
Fallon County	1,166	359	0	1,525	898	268	1,525
Fergus County	4,603	1,129	2,867	2,865	3,290	1,313	5,732
Flathead County	16,049	3,758	3,463	16,344	12,199	3,850	19,807
Gallatin County	10,264	1,969	1,290	10,943	7,606	2,658	12,233
Garfield County	577	347	0	924	409	168	924
Glacier County	3,816	981	1,532	3,265	2,325	1,491	4,797
Golden Valley County	330	102	0	432	261	69	432
Granite County	1,051	873	0	1,924	792	259	1,824
Hill County	6,426	919	4,335	3,010	4,056	2,370	7,345
Jefferson County	2,867	435	0	3,302	2,313	554	3,302
Judith Basin County	908	438	0	1,346	662	246	1,346
Lake County	7,814	3,158	1,561	9,411	5,485	2,329	10,972
Lewis and Clark County	2,864	1,879	0	4,743	2,247	617	4,743
Liberty County	788	219	0	1,007	565	223	1,007
Lincoln County	6,668	1,334	1,168	6,834	4,888	1,780	8,002
Madison County	2,387	1,515	0	3,902	1,643	744	3,902
McCone County	844	317	0	1,161	660	184	1,161
Meagher County	709	550	0	1,259	478	231	1,259
Mineral County	1,282	353	0	1,635	934	348	1,635
Missoula County	7,362	1,604	1,560	7,406	6,156	1,206	8,966
Musselshell County	1,661	522	0	2,183	1,297	364	2,183
Park County	5,643	1,329	3,137	3,835	3,748	1,895	6,972
Petroleum County	209	84	0	293	159	50	293
Phillips County	1,931	834	0	2,765	1,347	584	2,765
Pondera County	2,246	372	1,267	1,351	1,562	684	2,618
Powder River County	805	291	0	1,096	591	214	1,096
Powell County	2,234	601	1,636	1,199	1,603	831	2,835
Prairie County	568	181	0	749	448	120	749
Ravalli County	9,698	1,401	1,476	9,623	7,281	2,417	11,099
Richland County	3,956	869	2,363	2,462	2,797	1,159	4,825
Roosevelt County	3,694	571	1,236	3,029	2,361	1,333	4,265
Rosebud County	3,479	772	1,192	3,059	2,395	1,084	4,251
Sanders County	3,397	938	0	4,335	2,551	846	4,335
Sheridan County	1,899	518	0	2,417	1,463	436	2,417
Silver Bow County	13,899	1,575	14,335	1,139	9,844	4,055	15,474
Stillwater County	2,523	768	0	3,291	1,857	666	3,291
Sweet Grass County	1,281	358	0	1,639	924	357	1,639
Teton County	2,329	396	0	2,725	1,710	619	2,725
Toole County	1,922	432	1,302	1,052	1,381	541	2,354
Treasure County	339	109	0	448	219	120	448
Valley County	3,268	2,036	1,744	3,560	2,332	936	5,304
Wheatland County	849	280	0	1,129	639	210	1,129
Wibaux County	454	109	0	563	329	125	563
Yellowstone County	10,140	1,177	3,860	7,457	7,984	2,156	11,317
Montana	306,163	54,992	183,518	177,637	205,938	100,225	361,155

SUMMARY

Between 1980 and 1990, Montana's population did not rise appreciably, increasing only by about 12,000 people. The number of households rose more due to fewer persons per household rather than from an increase in the population. However, between 1990 and 1994, over 57,000 people have moved into the state. This is the greatest rate of growth in over 25 years.

In regard to Montana's demographic complexion, the population is predominately white. Native Americans, the state's largest racial minority, are highly concentrated in areas with tribal organizations. However, the tribal organizations typically have their own housing operations and are considered outside the scope of the state CPS development process and priority enumeration. Native American concentrations in areas of the state directly addressed by Montana's CPS are included herein, but available data does not distinctly identify the areas. There is little minority Hispanic concentration in Montana.

Economic conditions all across Montana have resulted in lower average real rates of pay over the last 25 years. Montana's wage earnings may be less than in 1969. Today, unemployment rates have eased significantly. One sees persistence of low income households and vast sections of the state that can be considered low income. Nearly 50 percent of all households reported income of less than $22,500 in 1989. This is significantly lower than the national median family income, which was nearly $36,000 in 1989. Over 80 percent of all Montana households are below the national median family income; and, household and households receiving food stamps has shot up over the last five or six years. Furthermore, it is becoming increasingly difficult for Montana's first-time home buyers to complete a transaction, as the prices of homes are increasing faster than interest rates are falling.

D. HOUSING MARKET ANALYSIS

1. HOUSING ATTRIBUTES

TYPES OF HOUSING

Single-family detached units are the predominant housing type in Montana. They comprise 65.6 percent of the state's total units. Multifamily units, with two or more units, represent the second largest group, at 18.3 percent. Mobile homes comprise 15 percent of the total housing units. The diagram at right, presents the percent of each housing type in the state. However, the presence of each housing type varies significantly around the state. For example, rural Montana has a higher concentration of single-family units than the major cities; these areas also have more mobile homes than the major cities. Needs for housing around the state will vary depending upon the predominance of various housing types. To better view the large variations from area to area, data on housing type for all geographic regions is presented in Table 51, on the following page.

DIAGRAM 21
TYPE OF HOUSING UNIT - 1990 CENSUS

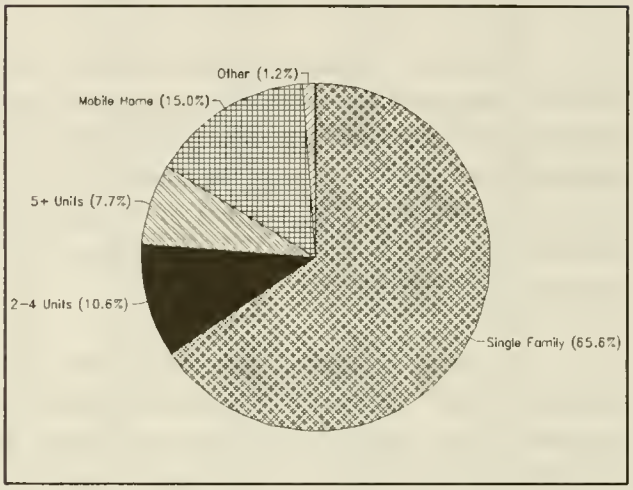


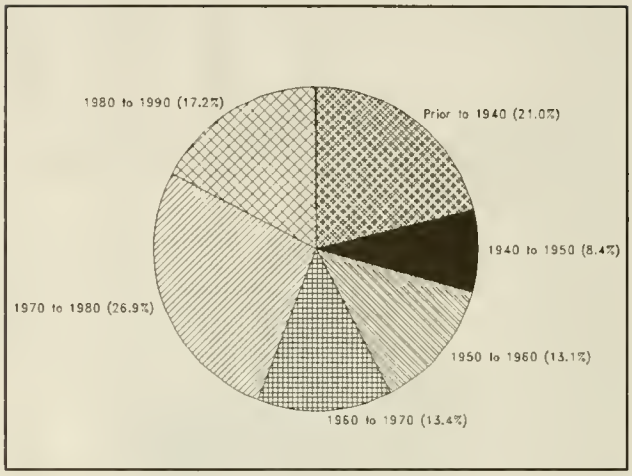
TABLE 51
TYPE OF HOUSING UNIT - 1990 CENSUS

AREA NAME	SINGLE FAMILY UNITS		2-4 UNITS		MULTI-FAMILY UNITS						
	DETACHED	ATTACHED	DUPLEX	TRI & QUADRIPLEX	5-9 UNITS	10-19 UNITS	20-49 UNITS	50 OR MORE	MOBILE HOMES	OTHER HOMES	TOTAL UNITS
Billings city	21,632	1,166	2,782	2,290	2,348	1,276	545	798	2,707	423	35,964
Bozeman city	3,515	318	901	1,479	783	717	501	209	569	125	9,117
Great Falls city	14,746	645	1,197	1,821	1,082	1,395	1,217	361	1,563	130	24,157
Helena city	6,003	268	890	1,464	588	463	322	287	534	117	10,946
Kalispell city	3,530	153	319	468	226	199	302	171	142	27	5,537
Missoula city	10,191	347	1,707	1,988	1,035	1,123	681	390	830	196	18,488
Bonner-West Riverside COP	341	0	0	32	0	0	0	0	340	7	720
Evergreen COP	827	26	30	19	9	21	0	0	687	16	1,635
Helena Valley Northeast COP	441	0	5	5	0	0	0	0	146	0	597
Helena Valley Northwest COP	315	0	0	0	0	0	0	0	108	0	423
Helena Valley Southeast COP	845	0	6	28	0	0	0	0	764	0	1,643
Helena Valley West Central COP	1,544	0	14	7	0	4	0	0	712	0	2,281
Helena West Side COP	413	0	34	25	0	0	0	0	307	0	779
Lockwood COP	779	9	4	29	0	0	0	0	666	13	1,500
Lolo COP	639	0	27	40	9	17	0	0	210	11	953
Malmstrom AFB COP	36	1,116	58	70	58	0	0	0	85	75	1,496
Orchard Homes COP	2,498	100	506	262	6	0	0	0	933	34	4,339
Sun Prairie COP	280	0	0	0	0	0	0	0	171	0	451
Beaverhead County	2,679	33	146	92	87	49	100	0	780	162	4,128
Big Horn County	3,080	7	98	106	120	40	23	0	758	72	4,304
Blaine County	2,211	18	88	77	38	40	47	0	393	18	2,930
Broadwater County	1,099	14	12	51	21	15	0	0	348	33	1,593
Carbon County	3,775	59	105	92	74	22	0	0	882	19	4,828
Carter County	563	6	7	0	0	8	0	0	216	16	816
Cascade County	5,045	34	98	94	34	9	20	0	1,589	36	6,959
Chouteau County	1,953	23	49	36	40	45	0	0	514	8	2,668
Custer County	3,693	66	197	279	193	119	70	101	614	73	5,405
Daniels County	970	11	6	30	11	21	0	0	157	14	1,220
Dawson County	3,170	67	194	169	132	58	51	0	594	52	4,487
Deer Lodge County	3,829	78	130	183	72	81	90	0	297	70	4,830
Fallon County	1,113	7	31	45	29	29	0	0	262	9	1,525
Fergus County	4,065	22	121	161	148	138	30	0	924	123	5,732
Flathead County	13,732	361	445	593	299	306	118	145	3,555	255	19,807
Gallatin County	8,005	516	235	401	194	110	0	69	2,554	149	12,233
Garfield County	646	3	8	12	6	0	0	0	239	10	924
Glacier County	3,077	161	216	152	86	62	87	0	911	45	4,797
Golden Valley County	356	0	0	0	0	0	0	0	71	5	432
Granite County	1,350	14	11	28	21	20	0	0	473	7	1,924
Hill County	4,745	61	374	369	278	237	109	53	1,026	93	7,345
Jefferson County	2,377	17	45	36	11	33	31	0	713	39	3,302
Judith Basin County	1,037	8	11	4	3	23	0	0	253	7	1,346
Lake County	7,990	175	220	181	186	80	105	0	1,931	104	10,972
Lewis and Clark County	3,732	20	55	46	15	0	0	0	829	46	4,743
Liberty County	701	8	24	3	7	11	41	0	195	17	1,007
Lincoln County	5,457	48	84	105	124	134	94	0	1,818	138	8,002
Madison County	2,615	38	66	52	64	258	61	0	643	105	3,902
McCone County	874	6	15	24	19	0	0	0	219	4	1,161
Meagher County	873	2	24	18	16	0	0	0	246	80	1,259
Mineral County	952	12	31	22	28	2	0	0	557	31	1,635
Missoula County	6,311	60	114	31	29	15	0	0	2,351	55	8,966
Musselshell County	1,568	15	17	17	31	15	52	0	405	63	2,183
Park County	4,881	58	210	176	139	76	169	0	1,143	120	6,972
Petroleum County	207	0	0	0	0	0	0	0	81	5	293
Phillips County	1,930	26	31	81	55	55	0	0	495	92	2,765
Pondera County	1,962	60	20	56	72	42	32	0	329	45	2,618
Powder River County	670	5	23	11	7	0	0	0	359	21	1,096
Powell County	1,992	12	97	84	35	30	20	0	504	61	2,835
Prairie County	579	7	2	16	21	0	0	0	118	6	749
Ravalli County	8,135	86	215	194	125	97	54	58	1,982	153	11,099
Richland County	3,230	57	171	252	187	109	0	0	812	7	4,825
Roosevelt County	3,118	98	139	130	59	43	25	0	626	27	4,265
Rosebud County	2,248	107	132	175	96	81	0	0	1,353	59	4,251
Sanders County	3,047	38	73	30	64	8	24	0	957	94	4,335
Sheridan County	1,766	17	29	96	76	64	0	0	350	19	2,417
Silver Bow County	10,786	207	644	668	577	498	501	78	1,447	68	15,474
Stillwater County	2,388	21	43	56	31	9	30	0	695	18	3,291
Sweet Grass County	1,285	11	43	33	41	0	0	0	211	15	1,639
Teton County	2,123	14	23	31	82	15	0	60	294	83	2,725
Toole County	1,644	21	53	26	97	41	46	0	384	42	2,354
Treasure County	316	4	3	0	0	13	0	0	112	0	448
Valley County	3,170	1,201	159	72	78	23	0	105	418	78	5,304
Wheatland County	845	7	13	38	10	13	0	0	190	13	1,129
Wibaux County	369	0	6	27	0	20	0	0	125	16	563
Yellowstone County	8,033	76	124	114	192	108	28	0	2,470	172	11,317
Montana	236,942	8,251	14,008	15,902	10,612	8,539	5,624	2,885	54,046	4,346	361,155

AGE OF HOUSING STOCK

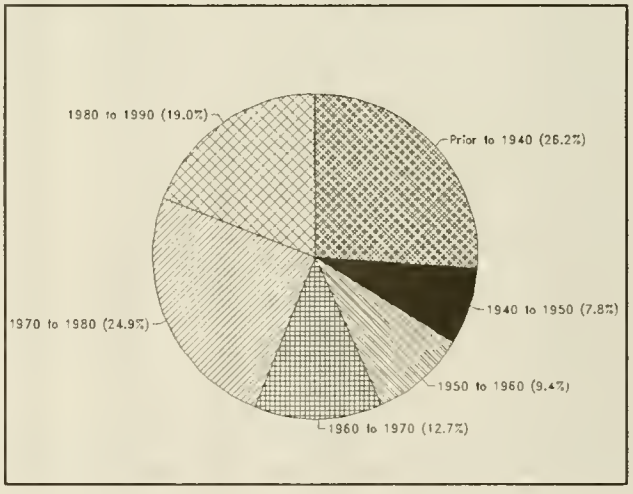
According to the 1990 Census, nearly 27 percent of Montana's dwelling units were constructed between 1970 and 1980. Another 21 percent were constructed prior to 1940. Homes built before 1940 have some potential for structural problems related to inadequate foundations and floor supports, poor plumbing, outdated electrical wiring, and substandard roofs. Because of this, pre-1940 housing tends to need moderate rehabilitation. Other prospective environmental hazards exist; these will be discussed shortly. Diagram 22 displays the percent of occupied units in each housing age category.

DIAGRAM 22
AGE OF OCCUPIED HOUSING UNITS
1990 CENSUS



Large discrepancies underlie the statewide average in quality of housing construction. Areas of the state have lost population. This implies a shortfall in housing construction and increases the potential for a more hazardous housing stock. Table 52, presents occupied housing vintage by area.

DIAGRAM 23
AGE OF VACANT HOUSING STOCKS
1990 CENSUS



Still, over 15 percent of Montana's housing stock was listed as vacant in the 1990 Census. This includes for-sale properties, available vacant rentals, second homes, or vacation homes. Diagram 23, shows the vintage categories for the vacant homes. It appears that age of housing plays a large role in whether the home is vacant, with over 26 percent of vacant homes being 50 years of age or older. Census data indicates that a large percent of vacant homes exist in the rural and less densely populated areas of the state. A much larger percent of vacant homes have missing or incomplete kitchen and plumbing facilities, and over 35 percent of the vacant housing stock in Meagher County lacks adequate plumbing. A portion of these homes is projected to be lost through demolition and abandonment. The extent of such losses (and other unsuitable housing conditions) on local housing stock varies widely around the state. The number of vacant homes, by age, is presented in Table 53.

TABLE 52
OCCUPIED UNITS BY AGE OF HOUSING STOCK - 1990 CENSUS

AREA NAME	BUILT DURING THE PERIOD: 1939 OR EARLIER	1940-49	1950-59	1960-69	1970-79	1980-84	1985-88	1989-90	TOTAL UNITS
Billings city	3,362	3,236	6,434	5,417	8,213	4,581	1,825	113	33,181
Bozeman city	1,946	687	1,023	1,235	2,161	1,062	578	59	8,751
Great Falls city	4,199	3,010	4,537	5,200	3,998	1,061	517	117	22,639
Helena city	3,138	897	1,278	1,598	2,203	618	553	33	10,318
Kalispell city	1,349	792	836	529	991	350	378	12	5,237
Missoula city	3,902	1,953	2,978	2,811	4,080	1,275	586	92	17,677
Bonner-West Riverside CDP	195	36	52	111	238	29	0	0	661
Evergreen CDP	50	190	315	265	599	106	23	0	1,548
Helena Valley Northeast CDP	70	6	12	49	221	129	88	8	581
Helena Valley Northwest CDP	9	0	0	59	206	100	14	0	388
Helena Valley Southeast CDP	21	1	37	143	913	306	122	21	1,564
Helena Valley West Central CDP	70	20	74	472	1,059	296	196	18	2,205
Helena West Side CDP	202	41	33	134	263	48	0	10	731
Lockwood CDP	57	70	141	131	855	252	54	8	1,368
Lolo CDP	22	4	10	134	515	121	97	10	913
Malmstrom AFB CDP	0	212	506	506	117	37	37	0	1,415
Orchard Homes CDP	301	286	718	1,082	1,231	322	193	36	4,169
Sun Prairie CDP	0	0	0	18	297	64	23	8	410
Beaverhead County	923	184	296	441	874	350	122	21	3,211
Big Horn County	643	231	331	431	1,149	367	236	60	3,448
Blaine County	656	185	223	141	763	263	139	9	2,379
Broadwater County	286	79	89	107	447	205	63	4	1,280
Carbon County	1,380	150	145	275	806	342	153	17	3,269
Carter County	171	61	72	88	147	39	11	0	589
Cascade County	1,135	491	706	775	1,666	573	236	87	5,669
Chouteau County	654	157	339	197	461	122	117	17	2,064
Custer County	1,247	540	689	625	1,178	259	77	18	4,631
Daniels County	377	75	127	55	180	75	23	7	919
Dawson County	836	445	681	436	845	429	13	6	3,691
Deer Lodge County	2,007	398	762	360	441	56	36	0	4,060
Fallon County	415	55	116	141	303	109	25	2	1,166
Fergus County	1,817	391	672	440	867	307	106	3	4,603
Flathead County	1,566	985	1,768	1,724	5,082	2,990	1,661	273	16,049
Gallatin County	1,448	321	626	1,023	3,636	1,872	1,065	273	10,264
Garfield County	135	45	66	83	167	55	21	5	577
Glacier County	699	263	394	449	1,151	490	340	30	3,816
Golden Valley County	154	9	44	19	66	24	14	0	330
Granite County	349	93	93	101	226	110	61	18	1,051
Hill County	1,254	798	1,238	821	1,507	644	153	11	6,426
Jefferson County	628	69	148	250	1,020	358	354	40	2,867
Judith Basin County	416	40	97	50	180	90	25	10	908
Lake County	1,249	552	778	929	2,597	842	642	225	7,814
Lewis and Clark County	584	129	285	326	883	373	253	31	2,864
Liberty County	233	56	138	80	183	72	26	0	788
Lincoln County	957	480	862	1,254	1,753	878	374	110	6,668
Madison County	662	182	163	209	651	321	157	42	2,387
McCone County	165	89	149	130	223	73	15	0	844
Meagher County	218	58	99	83	159	71	19	2	709
Mineral County	220	40	157	169	478	183	33	2	1,282
Missoula County	416	183	484	1,073	3,105	1,295	676	130	7,362
Musselshell County	557	129	141	90	456	227	57	4	1,661
Park County	1,848	615	594	471	1,249	483	320	63	5,643
Petroleum County	65	23	14	12	64	26	3	2	209
Phillips County	585	128	193	201	449	242	129	4	1,931
Pondera County	657	222	429	193	512	84	141	8	2,246
Powder River County	188	53	90	101	222	108	36	7	805
Powell County	683	182	335	203	615	112	91	13	2,234
Prairie County	203	72	81	53	116	35	6	2	568
Ravalli County	2,081	594	526	900	3,365	1,303	743	186	9,698
Richland County	744	435	488	385	1,148	689	62	5	3,956
Roosevelt County	794	322	462	409	885	519	189	114	3,694
Rosebud County	471	125	165	366	1,280	790	282	0	3,479
Sanders County	686	239	329	378	1,031	429	251	54	3,397
Sheridan County	636	141	239	234	379	239	29	2	1 899
Silver Bow County	6,274	1,283	1,636	1,436	2,546	385	276	63	13,899
Stillwater County	693	264	182	199	620	297	233	35	2,523
Sweet Grass County	473	75	123	161	285	112	44	8	1,281
Teton County	737	445	269	167	428	173	98	12	2,329
Toole County	513	223	3R0	204	417	133	41	11	1,922
Treasure County	105	40	41	25	71	50	7	0	339
Valley County	783	179	550	596	763	318	67	12	3,268
Wheatland County	456	64	74	64	129	41	18	3	849
Wibaux County	157	41	45	36	88	77	10	0	454
Yellowstone County	1,247	499	839	973	3,986	1,715	802	79	10,140
Montana	64,429	25,668	40,047	41,036	82,258	33,579	16,465	2,681	306,163

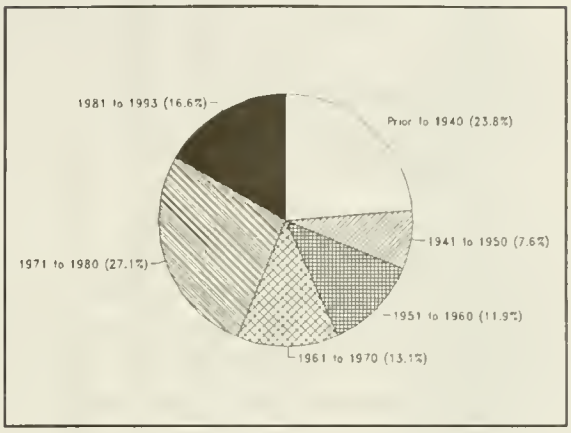
TABLE 53

VACANT UNITS BY AGE OF HOUSING STOCK - 1990 CENSUS

AREA NAME	BUILT DURING THE PERIOD: 1939 OR EARLIER	1940-49	1950-59	1960-69	1970-79	1980-84	1985-89	1989-90	TOTAL UNITS
Billings city	623	442	348	278	566	358	138	27	2,783
Bozeman city	133	18	34	65	70	28	7	8	366
Great Falls city	645	202	188	203	226	12	18	16	1,518
Helena city	286	58	55	106	79	33	10	0	630
Kalispell city	69	38	82	17	59	22	12	0	300
Missoula city	206	116	110	81	202	66	25	2	811
Bonner West Riverside CDP	14	0	17	14	14	0	0	0	59
Evergreen CDP	0	0	37	0	36	11	0	4	87
Helena Valley Northeast CDP	0	0	0	0	7	8	0	0	16
Helena Valley Northwest CDP	0	0	0	23	6	6	0	0	35
Helena Valley Southeast CDP	0	0	0	12	46	21	0	0	79
Helena Valley West Central CDP	4	0	4	22	41	0	5	0	76
Helena West Side CDP	6	0	8	4	30	0	0	0	48
Lockwood CDP	3	17	7	17	70	11	0	7	132
Lolo CDP	0	0	0	8	11	7	13	0	40
Malmstrom AFB CDP	0	6	20	48	7	0	0	0	81
Orchard Homes CDP	16	5	26	72	42	0	0	10	170
Sun Prairie CDP	0	0	5	5	21	10	0	0	41
Beaverhead County	271	65	91	76	232	138	33	11	917
Big Horn County	131	32	73	48	333	130	44	65	856
Blaine County	218	39	48	38	111	64	32	0	551
Broadwater County	57	14	28	32	108	55	9	9	313
Carbon County	528	60	77	120	374	230	137	33	1,559
Carter County	79	18	34	27	55	5	8	0	227
Cascade County	414	67	106	163	283	152	70	45	1,290
Chouteau County	195	71	101	72	99	43	15	7	604
Custer County	283	113	68	61	174	46	17	13	774
Daniels County	179	16	17	39	32	15	3	6	301
Dawson County	306	92	138	109	111	40	0	0	796
Deer Lodge County	488	18	27	111	110	16	0	0	770
Fallon County	173	26	37	40	70	8	3	2	359
Fergus County	453	63	111	120	214	106	48	15	1,129
Flathead County	364	399	306	453	1,017	745	423	51	3,758
Gallatin County	206	90	191	91	711	339	252	80	1,969
Garfield County	131	13	42	50	68	24	19	0	347
Glacier County	189	40	86	125	264	162	82	13	981
Golden Valley County	44	0	10	4	25	12	7	0	102
Granite County	278	51	93	120	155	60	98	18	873
Hill County	330	117	74	161	135	60	4	38	919
Jefferson County	178	18	30	24	109	36	28	13	435
Judith Basin County	218	23	37	33	81	36	6	0	436
Lake County	307	292	388	434	944	412	245	126	3,158
Lewis and Clark County	349	63	187	240	613	232	160	45	1,879
Liberty County	84	19	36	7	47	14	8	4	219
Lincoln County	223	67	141	169	353	181	108	92	1,334
Madison County	306	61	74	98	586	232	107	52	1,516
McCone County	124	47	50	33	53	10	0	0	317
Meagher County	216	40	88	40	83	31	32	8	550
Mineral County	42	10	37	72	121	46	22	3	353
Missoula County	76	62	82	187	644	353	136	44	1,604
Musselshell County	183	51	48	28	114	66	22	0	522
Park County	334	53	126	97	636	76	62	46	1,328
Petroleum County	40	7	7	12	12	5	1	0	84
Phillips County	395	52	57	84	149	57	30	1	834
Pondera County	140	28	37	44	111	11	0	0	372
Powder River County	67	33	46	38	60	36	9	1	291
Powell County	222	11	78	48	145	34	51	11	601
Prairie County	95	20	10	22	17	14	3	0	181
Ravalli County	243	56	83	173	427	241	143	35	1,401
Richland County	234	134	113	103	148	112	24	0	868
Roosevelt County	229	84	54	55	111	38	14	6	671
Rosebud County	89	34	21	88	260	162	60	67	772
Sanders County	186	100	43	88	261	134	85	31	938
Sheridan County	225	30	48	35	87	83	8	2	518
Silver Bow County	1,034	177	124	65	111	31	24	9	1,575
Stillwater County	179	78	79	70	193	61	88	18	768
Sweet Grass County	133	44	90	14	80	45	9	3	368
Teton County	116	87	42	21	99	18	8	4	395
Toole County	166	38	74	75	48	13	18	0	432
Treasure County	40	14	8	11	30	6	0	0	109
Valley County	340	76	68	1,343	117	68	17	7	2,036
Wheatland County	132	5	42	19	52	23	7	0	280
Wibaux County	52	12	0	18	15	12	0	0	109
Yellowstone County	180	71	32	70	630	180	97	17	1,177
Montana	14,432	4,276	5,162	6,995	13,668	6,166	3,167	1,137	54,992

For respondents to the *1993 Montana Housing Survey*,[17] the average dwelling was built in 1958. However, there was great variability depending on the type of home and whether the home was owned or rented. Diagram 24, at right, presents some of this data. Single-family dwellings averaged slightly over 38 years old. Rental units were typically older than owner-occupied homes. There was an 11-year difference between the single-family rental homes (average 48 years) and owned homes (average 37 years). When the single-family home is owned, it tends to be newer than when rented.

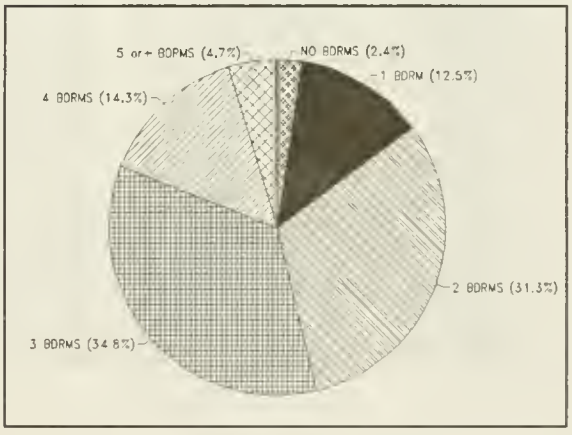
DIAGRAM 24
AGE OF HOMES
MONTANA HOUSING SURVEY



HOUSING SIZE

Of the 361,000 housing units in the state, most are two or three bedroom units. However, 2.4 percent have no bedrooms, and another 4.7 have five or more bedrooms. Diagram 25 graphically portrays the size of Montana's housing stock by number of bedrooms. Detailed area data from the 1990 Census are presented on the following page in Table 54.

DIAGRAM 25
UNITS BY NUMBER OF BEDROOMS
1990 CENSUS



[17] *The 1993 Montana Housing Survey* was sent to a random sample of Montana citizens.

TABLE 54
SIZE OF HOUSING UNITS BY NUMBER OF BEDROOMS

AREA NAME	OCCUPIED UNITS BY NUMBER OF BEDROOMS						VACANT UNITS BY NUMBER OF BEDROOMS						TOTAL UNITS
	0	1	2	3	4	5 +	0	1	2	3	4	5 +	
Billings city	647	3835	10562	9981	6160	1996	105	642	1243	590	129	74	35964
Bozeman city	253	1392	3508	2041	1194	363	20	133	134	62	17	0	9117
Great Falls city	691	2939	7022	6871	3952	1264	141	469	513	267	109	19	24157
Helena city	288	1608	3241	2786	1751	641	49	196	229	109	32	15	10946
Kalispell city	140	1036	1683	1445	767	166	30	30	155	80	0	5	5537
Missoula city	821	3346	5812	4622	2293	783	68	269	226	190	41	18	18488
Bonner-West Riverside CDP	7	79	283	251	22	19	0	14	28	17	0	0	720
Evergreen CDP	26	104	665	587	154	12	0	0	36	51	0	0	1635
Helena Valley Northeast CDP	0	9	129	322	117	5	4	0	7	5	0	0	597
Helena Valley Northwest CDP	0	7	45	209	101	26	0	6	6	17	6	0	423
Helena Valley Southeast CDP	9	39	477	771	240	29	0	0	32	36	11	0	1643
Helena Valley West Central CDP	0	57	449	984	526	189	0	16	27	22	6	5	2281
Helena West Side CDP	7	43	333	250	48	50	0	15	23	10	0	0	779
Lockwood CDP	7	61	456	580	194	70	3	25	45	45	14	0	1500
Lolo CDP	14	11	230	478	128	52	0	0	18	18	4	0	953
Malmstrom AFB CDP	0	20	322	848	216	9	0	0	0	81	0	0	1496
Orchard Homes CDP	48	389	1549	1380	590	213	0	37	133	0	0	0	4339
Sun Prairie CDP	0	0	84	217	74	35	0	0	5	36	0	0	451
Beaverhead County	85	372	951	1135	420	248	145	227	298	170	50	27	4128
Big Horn County	22	266	1020	1524	454	162	61	179	307	267	31	11	4304
Blaine County	13	208	632	973	393	160	29	115	204	150	30	23	2930
Broadwater County	9	126	337	537	196	76	18	119	98	60	16	2	1593
Carbon County	10	302	1100	1262	461	134	70	303	565	455	126	40	4828
Carter County	2	36	185	263	76	27	3	39	110	60	7	9	816
Cascade County	48	385	1779	2400	784	273	76	289	469	352	85	9	6859
Chouteau County	0	152	560	824	413	115	9	138	220	162	65	10	2668
Custer County	72	525	1445	1579	772	238	70	189	284	184	37	10	5405
Daniels County	0	64	227	370	194	64	3	55	135	78	25	5	1220
Dawson County	21	267	917	1486	775	225	0	151	325	254	47	19	4487
Deer Lodge County	46	635	1423	1314	495	147	45	274	256	169	19	7	4830
Fallon County	0	84	275	503	228	76	2	90	115	115	31	6	1525
Fergus County	31	432	1471	1793	598	278	60	229	417	292	67	65	5732
Flathead County	129	1345	4990	6575	2389	621	288	730	1452	1025	221	42	19807
Gallatin County	138	729	2731	4289	1820	557	207	303	621	655	121	62	12233
Garfield County	1	49	156	235	84	52	4	87	150	95	8	3	924
Glacier County	61	437	1109	1427	578	204	57	289	339	176	87	33	4797
Golden Valley County	0	15	105	128	54	28	1	7	43	37	10	4	432
Granite County	5	159	328	358	116	85	78	280	340	103	37	35	1924
Hill County	167	661	1831	2162	1129	476	82	219	274	270	56	19	7345
Jefferson County	47	234	792	1218	458	118	50	95	165	105	15	5	3302
Judith Basin County	4	90	225	383	152	64	26	115	157	102	23	15	1346
Lake County	66	870	2342	2850	1375	311	153	633	1130	828	307	107	10972
Lewis and Clark County	33	271	925	1084	443	108	127	339	624	580	171	38	4743
Liberty County	5	54	202	304	168	55	2	46	78	68	15	10	1007
Lincoln County	96	784	2043	2614	932	199	155	302	487	286	80	24	8002
Madison County	30	219	754	1009	230	146	252	316	440	363	64	80	3902
McCone County	0	27	184	357	211	65	14	47	140	84	23	9	1161
Meagher County	12	71	232	251	98	45	126	133	175	82	24	10	1259
Mineral County	8	158	434	502	122	59	65	143	91	35	13	6	1635
Missoula County	69	435	1961	3282	1219	396	52	176	528	592	219	37	8966
Musselshell County	27	197	533	620	196	88	10	84	234	159	30	5	2183
Park County	99	636	1867	1950	800	291	211	215	442	373	66	22	6972
Petroleum County	5	9	77	90	18	11	2	17	54	5	4	2	293
Phillips County	29	162	593	694	308	145	117	202	279	156	56	24	2765
Pondera County	19	178	649	848	421	131	7	65	128	129	29	14	2619
Powder River County	0	30	231	375	111	56	15	75	104	85	8	4	1096
Powell County	24	199	693	968	267	94	61	140	200	146	42	12	2835
Prairie County	0	38	176	218	107	29	0	38	54	57	19	13	749
Ravalli County	105	933	3140	4085	1108	327	122	407	454	329	81	9	11099
Richland County	5	203	1035	1624	762	327	14	189	430	175	56	5	4825
Roosevelt County	34	289	818	1675	723	155	7	104	170	204	71	15	4265
Rosebud County	16	185	1059	1646	411	162	35	113	271	312	41	0	4251
Sanders County	58	377	1192	1277	387	106	124	256	279	209	48	22	4335
Sheridan County	15	129	491	774	387	103	21	90	188	150	50	19	2417
Silver Bow County	219	2093	4479	4749	1792	567	78	586	503	326	46	36	15474
Stillwater County	18	224	682	1121	342	136	78	207	236	202	45	0	3291
Sweet Grass County	8	124	370	458	233	88	50	101	121	63	13	10	1639
Teton County	55	201	644	893	424	112	38	89	130	117	15	7	2725
Toole County	31	227	483	782	276	123	3	104	211	93	14	7	2354
Treasure County	2	22	88	174	42	11	0	22	49	32	4	2	448
Valley County	11	340	760	1394	518	245	24	251	496	985	260	20	5304
Wheatland County	5	86	267	274	165	52	2	77	81	88	26	6	1129
Wibaux County	1	36	119	193	72	33	0	14	56	30	6	3	563
Yellowstone County	23	615	2685	4358	1787	672	20	148	505	413	82	9	11317
Montana	4896	32956	93637	110854	47921	15799	3789	12111	19572	14727	3611	1192	361155

DEGREE OF OVERCROWDING

While a wide range of housing sizes is available, there is some incidence of overcrowding, as reported in the 1993 CHAS Databook.[18] Data was extracted from the Databook and is presented for renters, owners, large families, and non-elderly owners, each by income. As seen in Table 55, 3.9 percent of all renters statewide are experiencing overcrowded conditions. However, it appears that several more easterly counties have a significantly higher incidence of overcrowding, Big Horn County in particular. As household income declines, the incidence of overcrowding increases

[18] The CHAS Databook was a publication released by HUD for the Comprehensive Housing Affordability Strategy.

significantly. For example, 75 percent of all very low-income renter households in Petroleum County reside in overcrowded conditions.

When considering large related renter households, the incidence of overcrowding rises significantly. Statewide, over ¼ of all large related renter households face overcrowded conditions. As noted in Table 55, these percentages jump to 100 percent for several counties. However, these figures pertain to very small absolute population sizes. As inferred from Table 56 Petroleum County has *no* extremely low-income large related renter households.

Table 57 refers to owners, where the incidence of overcrowding statewide is about 1.8 percent. Here, as above, the percentage of households in overcrowded conditions rises as income declines. However, the problem is not as severe with owner groups as with renters. Since many of the owners are elderly, the data was corrected for this group. Table 58 presents data for owners, other than elderly, and their incidence of overcrowding. While the statewide average is only 2.6 percent, some counties exceed 30 percent of the total. Overall, Montana's lower income households, especially in the more sparsely populated areas of the state, tend to have problems with overcrowded housing conditions.

TABLE 55
INCIDENCE OF OVERCROWDED HOUSEHOLDS, 1990
RENTERS

TOTAL RENTERS		RENTERS 0-30%		RENTERS 31-50%		RENTERS 51-80%	
Big Horn County	16.6	Big Horn County	31.8	Petroleum County	75.0	Petroleum County	20.0
Rosebud County	12.3	Mineral County	24.6	Granite County	25.4	Glacier County	16.3
Glacier County	12.0	Rosebud County	16.9	Big Horn County	25.1	Rosebud County	14.6
Granite County	11.7	Glacier County	16.2	Rosebud County	21.5	Big Horn County	13.2
Roosevelt County	10.3	Sheridan County	16.7	Roosevelt County	15.3	Granite County	12.1
Petroleum County	9.6	Roosevelt County	16.7	Sanders County	14.4	Sanders County	11.6
Mineral County	8.0	Blaine County	9.2	Glacier County	14.2	Liberty County	10.6
Sanders County	7.2	Prairie County	8.7	Pondera County	11.6	Fergus County	9.3
Valley County	7.0	Lake County	8.3	Blaine County	10.9	Wheatland County	9.3
Blaine County	6.9	Valley County	7.8	Liberty County	10.4	Valley County	9.2
Fergus County	6.1	Teton County	7.6	Hill County	10.2	Blaine County	8.8
Beaverhead County	6.9	Ravalli County	7.6	Jefferson County	9.6	Broadwater County	8.6
Lake County	6.4	Carbon County	7.1	Garfield County	9.4	Musselshell County	7.7
Hill County	6.2	Powder River County	6.7	Valley County	8.7	Golden Valley County	7.4
Meagher County	6.0	Hill County	6.6	Wheatland County	7.0	Meagher County	6.3
Montana	3.9	Montana	6.2	Montana	4.9	Montana	4.1

TABLE 56

INCIDENCE OF OVERCROWDED HOUSEHOLDS, 1990

LARGE RELATED RENTERS

LARGE RELATED RENTERS		LARGE RELATED RENTERS 0-30%		LARGE RELATED RENTERS 31-50%		LARGE RELATED RENTERS 51-80%	
Petroleum County	100.0	Sheridan County	100.0	Petroleum County	100.0	Broadwater County	100.0
Granite County	69.3	Mineral County	85.7	Beaverhead County	100.0	Carter County	100.0
Big Horn County	59.2	Big Horn County	83.7	Silver Bow County	80.0	Granite County	70.0
Hill County	46.6	Fergus County	75.0	Granite County	80.0	Glacier County	60.4
Missoula city	43.7	Ravalli County	71.4	Butte-Silver Bow (remaining)	78.9	Deer Lodge County	57.1
Glacier County	43.3	Carbon County	66.7	Sanders County	76.0	Jefferson County	50.0
Jefferson County	42.4	Jefferson County	60.0	Custer County	75.0	Pondera County	41.2
Rosebud County	39.3	Sweet Grass County	60.0	Jefferson County	75.0	Musselshell County	40.0
Missoula County	37.8	Missoula city	60.0	Sweet Grass County	71.4	Missoula city	38.2
Musselshell County	37.5	Prairie County	60.0	Liberty County	71.4	Fergus County	37.3
Sanders County	36.3	Rosebud County	48.4	Big Horn County	70.4	Blaine County	36.4
Deer Lodge County	36.2	Missoula County	47.2	Hill County	70.3	Madison County	35.7
Beaverhead County	35.8	Billings city	47.1	Pondera County	66.7	Liberty County	35.3
Fergus County	34.6	Custer County	46.2	Garfield County	60.0	Rosebud County	34.2
Pondera County	33.9	Hill County	44.9	Blaine County	57.1	Sanders County	34.2
Montana	26.7	Montana	38.1	Montana	38.2	Montana	24.8

TABLE 57

INCIDENCE OF OVERCROWDED HOUSEHOLDS, 1990

OWNERS

TOTAL OWNERS		OWNERS 0-30%		OWNERS 31-50%		OWNERS 51-80%	
Big Horn County	9.0	Glacier County	19.3	Powder River County	18.8	Big Horn County	16.8
Glacier County	7.6	Madison County	17.0	Glacier County	13.9	Garfield County	11.8
Lake County	4.7	Pondera County	16.5	Rosebud County	13.6	Glacier County	9.1
Rosebud County	4.6	Rosebud County	15.4	Big Horn County	10.6	Petroleum County	9.1
Garfield County	4.4	Petroleum County	12.5	Treasure County	9.6	Lake County	8.9
Mineral County	4.1	Big Horn County	10.4	Golden Valley County	9.4	McCone County	5.9
Petroleum County	3.8	Granite County	7.9	Blaine County	8.1	Mineral County	5.6
Madison County	3.7	Carter County	7.7	Jefferson County	6.4	Treasure County	5.4
Pondera County	3.5	Lake County	7.3	Madison County	5.7	Sweet Grass County	4.9
Liberty County	3.4	Hill County	6.7	Pondera County	5.1	Hill County	4.8
Lincoln County	3.2	Custer County	6.6	Beaverhead County	5.0	Madison County	4.7
Blaine County	3.1	Teton County	5.8	Teton County	5.0	Musselshell County	4.6
Granite County	3.0	Roosevelt County	5.7	Lincoln County	4.8	Rosebud County	4.6
Carter County	2.9	Ravalli County	5.1	Toole County	4.3	Pondera County	4.5
Ravalli County	2.8	Lincoln County	5.0	Ravalli County	4.3	Sanders County	4.5
Montana	1.8	Montana	3.7	Montana	2.7	Montana	2.9

TABLE 58

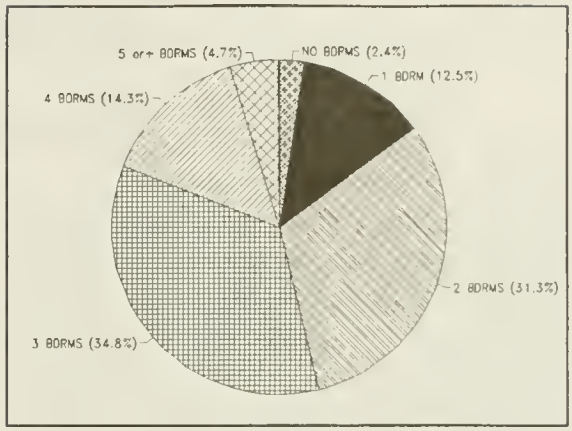
INCIDENCE OF OVERCROWDED HOUSEHOLDS, 1990

OWNERS OTHER THAN ELDERLY

TOTAL OWNERS OTHER THAN ELDERLY		OWNERS OTHER THAN ELDERLY 0-30%		OWNERS OTHER THAN ELDERLY 31-50%		OWNERS OTHER THAN ELDERLY 51-80%	
Big Horn County	11.5	Madison County	30.3	Powder River County	26.5	Big Horn County	21.8
Glacier County	9.9	Petroleum County	30.0	Glacier County	20.7	Garfield County	19.7
Garfield County	7.3	Glacier County	24.7	Rosebud County	18.6	Lake County	14.6
Lake County	6.9	Pondera County	24.5	Treasure County	16.7	Glacier County	13.5
Mineral County	6.0	Rosebud County	24.0	Golden Valley County	16.7	Petroleum County	12.5
Petroleum County	5.9	Carter County	16.2	Big Horn County	16.4	Mineral County	10.6
Rosebud County	5.6	Hill County	14.9	Jefferson County	14.6	Treasure County	9.7
Pondera County	5.4	Big Horn County	13.7	Lincoln County	14.1	McCone County	9.2
Liberty County	5.4	Lake County	13.6	Blaine County	13.4	Madison County	8.4
Granite County	5.1	Granite County	13.3	Stillwater County	11.8	Granite County	8.3
Madison County	5.1	Custer County	11.9	Beaverhead County	11.0	Musselshell County	8.2
Carter County	4.7	Teton County	11.4	Hill County	10.9	Sanders County	8.0
Lincoln County	4.5	Carbon County	11.1	Pondera County	10.9	Pondera County	7.6
Blaine County	4.4	Sweet Grass County	10.6	Teton County	10.6	Park County	7.6
Ravalli County	4.2	Ravalli County	9.1	Ravalli County	10.5	Carbon County	7.4
Montana	2.6	Montana	6.8	Montana	5.8	Montana	4.9

According to the results of the *1993 Montana Housing Survey*, there was an average of 2.8 occupants among owner-occupied homes. This was slightly more than the respondents from rented dwellings, which had an average of 2.5 occupants. Overcrowding was prevalent in studios, with approximately 2.2 individuals living in this no-bedroom style home. While 57 percent of the studios contained one person, another 42 percent contain between three and five individuals. It should be noted, however, that less than 1 percent of the total sample lived in this type of housing. Diagram 26, at right, shows the percent of units in the *1993 Montana Housing Survey* with each specified number of bedrooms.

DIAGRAM 26
UNITS BY NUMBER OF BEDROOMS



The problem of overcrowding was difficult to determine because family structures are complex and the size of the house is an important factor. The average one-bedroom dwelling could accommodate two individuals. The survey revealed almost 90 percent of the one-bedroom dwellings contain one to two individuals; 10 percent of the dwellings had three to four individuals living in them. Almost 10 percent of the two-bedroom dwellings contained from four to seven household members.

2. LEAD-BASED PAINT HAZARDS

RENTER AND HOMEOWNER HOUSEHOLDS

Renters and homeowners in the state face prospective hazards relating to lead-based paint. Homes built prior to 1980 have some chance of containing lead-based paint on interior or exterior surfaces. Housing units built before 1940, which make up nearly 22 percent of the housing units in Montana, are much more likely to contain lead-based paint than newer homes.

There is increased medical understanding of the extremely harmful effects of lead on children and adults, both short- and long-term. There is new evidence that lead dust is a more serious hazard than ingestion of paint chips. Dust from surfaces with intact lead-based paint is pervasive and poisonous when inhaled or ingested. Lead dust is so fine that it is not collected by conventional vacuum cleaners.

One can compute an estimate of the number of housing units at risk for containing lead-based paint. According to HUD estimates, 90 percent of units built before 1940, 80 percent of those built between 1940 and 1959, and 62 percent of units built from 1960 to 1979 may have lead-based paint. This computation was applied to all units (occupied and vacant), and is portrayed in Table 59 There are over 220,000 units statewide that are potentially at risk

for lead-based paint hazards. However, there are two additional risk factors for lead-based paint hazards: tenure (i.e., renter or owner) and income of the household.

A few years ago, HUD prepared special tabulations of data for the Comprehensive Housing Affordability Strategy process, as it relates to lead-based paint hazards. The data cross-tabulates tenure, age of unit, and affordability group (very low and other low income). HUD tabulated data on affordability group based on the national median family income (very low income and other low income) rather than exact income (e.g., $15,000 annually). This data was extracted and calculated using HUD's formula for households at risk of lead-based paint hazards, based on unit age, tenure, and affordability group.

Housing that is occupied by very low income home owners, other low income homeowenrs units, very low income renters and other low income rent units are most likely eligible for funding under a variety of federal housing programs. For all homeowner households, over 35,645 homes are at risk of some form of lead-based paint hazards. For other lower income households, another 38,045 homes are at risk.

The two factors most highly correlated with the presence of lead based paint hazard are low income and rental properties. For the lowest income renter households, about 37,600 units are at risk. For other low income renter households, another 20,417 are at risk. Together, these figures paint a poor picture for the health and safety of lower income households.

TABLE 59
ALL STRUCTURES AT RISK
LEAD-BASED PAINT HAZARDS

AREA NAME	NO. UNITS
Billings city	20,802
Bozeman city	6,471
Great Falls city	16,686
Helena city	7,385
Kalispell city	3,666
Missoula city	12,273
Bonner West Riverside CDP	606
Evergreen CDP	1,006
Helena Valley Northeast CDP	249
Helena Valley Northwest CDP	190
Helena Valley Southeast CDP	740
Helena Valley West Central CDP	1,133
Helena West Side CDP	629
Lockwood CDP	783
Lolo CDP	446
Malmstrom AFB CDP	1,016
Orchard Homes CDP	2,617
Sun Prairie CDP	216
Beaverhead County	2,690
Big Horn County	2,446
Blaine County	1,836
Broadwater County	808
Carbon County	3,040
Carter County	670
Cascade County	4,274
Chouteau County	1,813
Custer County	3,768
Daniels County	874
Dawson County	3,043
Deer Lodge County	3,844
Fallon County	1,060
Fergus County	4,060
Flathead County	9,634
Gallatin County	6,866
Garfield County	600
Glacier County	2,676
Golden Valley County	298
Granite County	1,202
Hill County	4,834
Jefferson County	1,807
Judith Basin County	942
Lake County	6,067
Lewis and Clark County	2,641
Liberty County	681
Lincoln County	4,490
Madison County	2,212
McCone County	800
Meagher County	862
Mineral County	962
Missoula County	4,211
Musselshell County	1,397
Park County	4,532
Petroleum County	197
Phillips County	1,773
Pondera County	1,824
Powder River County	668
Powell County	1,927
Prarie County	544
Ravalli County	6,115
Richland County	2,823
Roosevelt County	2,648
Rosebud County	2,026
Sanders County	2,444
Sheridan County	1,587
Silver Bow County	11,731
Stillwater County	1,938
Sweet Grass County	1,098
Teton County	1,886
Toole County	1,644
Treasure County	298
Valley County	3,467
Wheatland County	841
Wibaux County	364
Yellowstone County	5,884
Montana	220,361

Nearly 131,700 households face potential high risk lead-based paint hazards. The households generally represent those which would qualify under various housing program provisions. The Lead-Based Paint Hazard Reduction Act calls for risk assessments and prospective testing for federally assisted housing. The HOME program estimates, that it may cost an average of $8,000 per unit to abate lead-based paint hazards. This direct program exposure amounts to over $1.053 billion.

TABLE 60
LOW INCOME HOUSING UNITS AT RISK OF LEAD-BASED PAINT HAZARDS

	VERY LOW INCOME	OTHER LOW INCOME	TOTAL LOW INCOME
Renters	37,593	20,417	58,010
Owners	35,645	38,045	73,690
TOTAL	73,238	58,462	131,700

The data presented in Table 60 represents a conservative estimate. HUD counts of low-income housing units built from 1950 to 1959 have been summed with the '1960-79 Housing' category rather than the '1940-59 Housing' category in the 1993 CHAS Databook. It can be assumed, therefore, that a larger number of 1950-59 housing are at risk. As well, when one begins to review all at risk housing units (recall that there are in excess of 220,000 units) at $8,000 abatement costs, potential housing rehabilitation needs mushroom to $1.76 billion. Even if full lead-based paint abatement does not occur, and only in-place containment activities are implemented (this costs 25 percent of the average abatement cost, or $2,500), this still exceeds one half billion dollars, a staggering amount of money.

RESULTS OF LEAD TESTS ON CHILDREN

The State Advisory Committee of the Montana LEAD program provided statistics showing the results of all tests done by the Montana Childhood Lead Poisoning Prevention Program, up to May 4, 1994. It includes both children and adults, and includes repeat tests. Table 61, presents the accumulated data for children age 5 and under. HUD's newly revised definition of elevated blood level is 20 μg/dL in a single test or 15 to 19 μg/dL in two consecutive tests. The data presented in Table 61 uses measurements of over 10 μg/dL to define an elevated blood lead level.

TABLE 61
BLOOD LEAD LEVELS
CHILDREN AGE FIVE AND UNDER, TOTALS TO 05/04/94

CITY	NUMBER TESTED	NUMBER ELEVATED ($\geq$ 10 μg/dL)	PERCENT ELEVATED
Butte	701	66	9.4%
Great Falls	557	19	3.4%
Missoula	531	11	2.1%
TOTAL	1,789	96	5.4%

Table 62 includes data from the Montana LEAD program, current up to October 6, 1994. The information was provided in lieu of data on addresses of lead-poisoned children, which was not released due to confidentiality concerns.[19]

[19] Montana LEAD screening statistics were provided by Karen Byrnes, Data/Fiscal Manager, Montana Lead Education Assessment Detection, correspondence of October 24, 1994.

TABLE 62
BLOOD LEAD LEVELS
STATEWIDE, CHILDREN < 6 YEARS OLD

BLOOD LEAD LEVELS	NUMBER OF TESTS	PERCENT
< 10 μg/dL	3,433	91.6%
≥ 10 ≤ 14 μg/dL	239	6.4%
≥ 15 ≤ 19 μg/dL	54	1.4%
≥ 20 μg/dL	20	0.5%
TOTAL	3,746	
TOTAL ELEVATED (≤ 10 μg/dL)		8.4%

Montana does not currently have a funded lead compliance program to address the accreditation of individuals engaged in lead hazard identification or reduction activities the accreditation of training programs for these individuals, or the certification of contractors engaged in lead based paint related activities. A proposal for a Montana Lead Abatement Project was submitted HUD under its Title X Lead-Based Paint Hazard Control Program. Unfortunately, Montana did not receive funds for this application.

3. CONDITIONS OF HOUSING STOCK
DATA REGARDING PHYSICAL CONDITIONS OF HOUSING STOCK

Available data suggests that there are both moderate and severe physical problems in Montana's housing stock. Statewide, 8.5 percent of the stock lacks sufficient kitchen or bathroom facilities. Table 48, on the following page, depicts the condition of housing as it relates to incomplete kitchen and bathroom facilities on a detailed area basis. Several rural counties have over 30 percent of their stock in substandard condition, including Judith Basin (34.7 percent), Meagher (35.1 percent), and Mineral (30 percent) counties . Housing stock in substandard condition in Petroleum County surpasses 27 percent, Phillips County is nearly 23 percent, and Broadwater County exceeds 20 percent. This implies that many of the structures throughout the rural portions of the state may require rehabilitation and repair.

ASSESSMENT OF HOUSING NEEDS

During the FY94 CHAS development process, three mail surveys were conducted[20]. One was sent to a systematic sample taken from the FY93 CHAS Annual Plan distribution list. This survey is termed the *Survey of Montana's Housing Needs*. The second was sent to a sample of randomly selected Montana households. The latter survey was designed to adequately sample middle income households. This would then over sample low- and very low-income households, thereby under sampling wealthier households. This comprised a sample of about 3,650 households across Montana. This instrument is termed the *1993 Montana Housing Survey*. Both of the above instruments, along with cover and follow up letters, were included in the FY 1994 CHAS. The third survey was conducted by the Housing and Community Development Bureau of the Montana Department of

[20]Copies of the three survey's: The *Survey of Montana's Housing Needs*, the *Montana Housing Opinion Survey* and the *1993 Montana Housing Survey* may be requested from Department of Commerce, Housing Division (406) 444-0092.

Commerce and focused primarily on land-use and zoning. The *Montana Housing Opinion Survey* sampled about 300 persons and is summarized below as well.

SURVEY'S PERFORMED

The *Survey of Montana's Housing Needs* was designed to collect specific data such as vacancy rates, local needs, and barriers to affordable housing from knowledgeable housing specialists throughout Montana. Most of the quantitative questions asked the respondents to rank the degree of housing problem or need. There was also a series of questions related to the inventory of homeless facilities and services. The survey also included a set of open-ended questions soliciting general responses. Survey data is reviewed below.

The housing needs survey solicited input from a very broad cross-section of Montanans involved in housing issues, from construction, sales, lending, program administration, planning, and public policy occupations. It also included responses from state and local agencies associated with health, environmental services, disability, public instruction, Native American affairs, councils on aging, low income coalitions, and others.

The Survey of Montana's Housing Needs indicated several distinct problems and a variety of options for overcoming deficiencies in the provision of affordable housing. These findings can be summarized as a critical shortage of rental housing and a severe shortage of owner-occupied homes. All income groups are adversely affected, with low-income persons being placed in the most compromising circumstances. In-needs groups are scattered statewide, but the elderly and handicapped have the highest incidence of need. There tends to be a high level of unsuitable homes and rental property as perceived by the public.[21] In addition, both rental housing and owner occupied homes are not very accessible for Montana disabled citizens. Further, the in-need groups are specifically the homeless, the elderly, and the mentally or physically disabled. Since the incidence of AIDS/HIV infection is relatively low in Montana, the public perceives little need for this type of housing and housing-related services. However, within local jurisdictions, these needs can contrast sharply. Also, rental and home prices are increasing significantly, with building and zoning practices affecting housing availability in areas with faster growing populations and active subdivision and zoning activities.

Few opportunities exist today for increasing the provision of affordable housing, but many barriers exist. These barriers include land prices, material costs, population migration, and zoning regulations. Service gaps exist. These relate to programs that provide additional support to the in-need groups. These service gaps can be partially addressed through current delivery systems, but most sources are under-funded.

The *Montana Housing Opinion Survey* also conducted in 1993, confirmed the previous survey analysis. Rental housing is critically short throughout the state, and owner-occupied homes are not affordable. Furthermore, developers are largely uninterested in providing low-cost housing,

[21] In general, Montana citizens take a more critical view of suitability than the CPS definitions.

whether for rent or purchase. Respondents indicated similar causes for the high cost of housing, such as building materials and land costs. Other indicators contributing to the lack of affordability are related to low paying jobs, an inability to meet credit requirements, and an inability to save for down payment and closing costs. The survey respondents indicated that prospective solutions relate to low cost financing, rent and home subsidies, and assistance to builders and home buyers.

The *1993 Montana Housing Survey*, through the canvassing of randomly selected citizens, revealed findings similar to the above two needs assessment results. There are critical shortages of rental housing, and severe shortages of affordably priced homes. There are significant needs for program support for the creation of low-cost rentals and affordably priced homes. Even Montana's Section 8 waiting list concurs with the above, as over 6,000 are now on the list, which is expected to rise to about 10,000 over the course of the next few years.

STATE-ADMINISTERED SECTION 8 HOUSING

An indirect measure of housing affordability and availability can be found by inspecting the Section 8 rental assistance waiting lists. In Montana, the list was last prepared on October 11, 1995. The table at right, presents the number of households on the waiting list at that time. Of those on the list, about 55 percent have one or more federal preferences. The complexion of the list is simply dependent upon those who apply.

STATE-ADMINISTERED SECTION 8 WAITING LIST

BEDROOMS	NUMBER ON WAITING LIST
1 Bedroom	2,635
2 Bedrooms	3,821
3 Bedrooms	1,630
4 Bedrooms	199
5 Bedrooms	17
6 Bedrooms	2
TOTAL	8,304

Increases in number of families on the list imply that the housing market is not providing enough affordably priced rental property to adequately handle demand and household formation. This leads to further pressure on rental prices.

HOUSING NEEDS FOR LARGE FAMILIES

Around the state of Montana, there appears to be an incidence of overcrowding; this is especially true for large related family households. While the incidence of overcrowding in all renter homes in Montana amounts to only 3.9 percent of households, this share expands to 26.7 percent of all large related families having overcrowded conditions. The extremely low- and very low-income large related households have an incidence of over 38 percent of all these households in crowded conditions. Large family homes are a pertinent need in Montana.

SUITABILITY CRITERIA

The aggregate number of housing units experiencing some form of substandard condition is not small. Since several segments of the population tend to be experiencing a disproportionate share of severe and adverse housing conditions, the State offers suitability criteria to use when making policy options designed to alleviate substandard conditions for tenants and homeowners.

Substandard housing conditions are those requiring critical repairs to ensure that the unit will not endanger the health, safety, or welfare of its occupants. At a minimum, the unit should meet Section 8 Housing Quality Standards, in order to be considered suitable housing.

SUITABLE FOR REHABILITATION

Substandard dwelling units may still be suitable for rehabilitation. These types of units must be both financially and structurally feasible for rehabilitation. Most government funding programs will not allow funds to be invested in housing units that require only cosmetic work, correction or minor livability problems, or maintenance work. The units must be designed for year-round use. This means that construction and heating of the unit should make it usable for year-round occupancy: built as a permanent structure, properly equipped and insulated for heating based on the climate, and have heating equipment adequate for long cold periods.

NOT SUITABLE FOR REHABILITATION

Unfortunately, not all substandard units are in good enough condition to rehabilitate in a safe and cost-effective manner. Others may not be properly designed. The latter includes dwelling units that were not designed for year-round use, not built as a permanent structure, not properly equipped and insulated for heating based on the climate, and without heating equipment adequate for long cold periods.

Substandard housing units that are neither structurally feasible nor financially practical (i.e., cost effective) for repair and rehabilitation are considered substandard housing units unsuitable for rehabilitation and unsuitable for habitation by any in-need group.

4. AFFORDABILITY AND COST BURDEN

In assessing whether or not there is affordable housing available in Montana, both income levels and housing costs have been inspected.[22] A monthly housing cost (including utilities) in excess of 30 percent of income constitutes a cost burden. Approximately 18.6 percent of Montana households (59,217) earn less than $10,000 annually, and 32.1 percent (98,548) earn less than $15,000. Therefore, a monthly housing cost in excess of $250 represents a cost burden to nearly one-fifth of Montana households, and payments over $375 would be a burden to nearly one-third. The following analysis examines the affordability of housing to renters by looking at the percentage of monthly income that would be required to make average rent and utility payments.

Affordability for potential homeowners is examined by looking at the cash outlay and annual income required for average and low priced homes if monthly housing costs are to equal 30 percent of income. These calculations are intended to reflect the typical costs. Costs and income requirements are shown for both conventional financing and Federal Housing Administration (FHA) or Rural Economic and Community Development Services (RECDS), formerly Farmers Home

[22] Income and housing cost data taken from the 1990 Census, U.S. Department of Commerce, Bureau of the Census.

Administration (FmHA), financing. These cost burdens and income requirements are then compared to census information to see how many households in Montana can afford the average home.

Rent burden calculations were made using 1990 Census figures for contract rent. For home buyers, the calculations for monthly mortgage payments and cash outlay at closing were made by using 1990 Census figures for the average asking prices of vacant for-sale housing units, prevalent interest rates in 1992, and applying formulas used by the banking industry, RECDSand FHA.[23] For conventional loans, cash outlay at closing includes a 10 percent down payment plus typical closing costs.[24] The RECDS Administration (who makes loans in rural areas with populations of less than 10,000) estimates no cash outlay of closing costs or down payment, and assume only typical RECDS closing costs.[25] For FHA, cash outlay at closing includes a 3 percent down payment plus 43 percent of closing costs. The other 57 percent of the closing costs and the required mortgage insurance costs are added to the loan amount.[26] Monthly payments for all loans are based on a 30-year, 9 percent fixed-rate loan plus taxes and insurance. Average utility costs of $101 per month for a two-bedroom, multifamily unit with electric heat have been added to rent cost to calculate cost burden for rental units. Utility costs of $125 for a single-family, three-bedroom home with gas heat were added to the monthly mortgage payments to calculate income requirements for homeowners.[27]

AFFORDABILITY FOR RENTERS

Low-income renters in Montana's rural areas are less likely to experience severe cost burden than low-income renters in the state's major cities. Households earning $10,000 or less annually would be paying at least 52 percent of their income to occupy an average housing unit in the major cities. This constitutes a burden far in excess of the 30 percent standard. Similarly, in census designated places, a household with a $10,000 annual income would have to use 55 percent of their income to rent the average housing unit. The situation for that income group is of particular concern in the Sun Prairie CDP, where the renter cost burden is highest, at 65 percent for the average rental housing unit.

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[23] While interest rates have fallen since 1992, home prices have risen faster since 1990, thereby making home affordability more difficult. Hence, this narrative is simply a conservative illustration of the problems, rather than a precise quantitative estimate, current to December 1993.

[24] Typical closing costs estimated with the assistance of Colleen Cebula, First Interstate Bank of Missoula. (1992)

[25] Information on Farm Home Administration loans and typical closing costs provided by Peter Halvorson, Farm Home Administration Office, Hillsboro, Oregon; and Nikki Stahley, Farm Home Administration Office, Billings, Montana. (1992)

[26] FHA loan information and typical closing cost estimates provided by Jeff McKinnen, First Interstate Bank, Portland, Oregon; and Charlene of American Federal Savings & Loan, Butte, Montana. (1992)

[27] Section 8 Utility Allowances, revised October 1992.

TABLE 63
AFFORDABILITY OF AVERAGE RENTAL UNITS

AREA	MONTHLY RENT $	PERCENT OF INCOME $10,000	PERCENT OF INCOME $15,000
Sun Prairie CDP Average	543	65%	43%
City Average	436	52%	35%
CDP Average	461	55%	37%
Rural Average	331	40%	26%

Table 63, illustrates the cost burden of average priced rental units in cities, CDPs, and the remaining rural areas. As that table shows, average rent in the rural areas is lower than in urban areas, but it still represents a cost burden of 40 percent to a householder with $10,000 in income. Even for a household with a $15,000 annual income, the cost burden is over 30 percent for all but those living in rural areas. Although the cost burden is not severe for that group, the important questions for those rural areas become if there are enough rental units available, if they have adequate kitchen and plumbing facilities, and whether or not they are maintained at or above minimum health and safety standards.

While the above analysis focused on whether low-income households could afford average rents, another question should also be examined: What portion of Montana's population cannot afford the "average rent"?[28] Table 64, illustrates average rents, the income needed to pay that average, and the percent of households with an income below $15,000. As this table demonstrates, 26 to 33 percent of the population in Montana does not have a high enough income to afford the average rent. Furthermore, there is wide disparity between urban and rural costs and cost burdens. Data demonstrating the degree of difference between the various regions throughout the state is presented in Table 65. This data portrays the number of households in each area that fall within a particular rent level category.

TABLE 64
INCOME NEEDED TO PAY THE AVERAGE RENT

AREA	MONTHLY RENT	INCOME NEEDED	PERCENT OF HOUSEHOLDS WITH LESS THAN $15,000 ANNUAL INCOME
City Average	436	$17,440	33%
CDP Average	461	$18,440	26%
Rural Average	331	$13,240	32%

[28] Average rent computed from the number of rental units in each rent cost category and the midpoint of the rent category, as reported in the 1990 Census, plus utility costs used in the Section 8 Housing Utility Allowance Program (revised October 1992).

TABLE 65

RENTAL UNITS BY PRICE RANGE (MONTHLY DOLLARS)

AREA NAME	< 100	100-149	150-199	200-249	250-299	300-349	350-399	400-449	450-499	500-549	550-599	600-649	650-699	700-749	750-999	> 1000	0 RENT
Billings city	288	577	793	1,315	1,550	1,947	2,039	1,406	834	593	527	201	112	109	188	125	264
Bozeman city	79	142	290	585	919	730	647	640	397	302	158	109	54	62	25	7	77
Great Falls city	403	733	796	868	1,064	1,323	1,115	736	470	286	161	100	67	67	41	26	157
Helena city	178	264	255	528	652	763	558	399	298	234	97	73	21	37	30	6	71
Kalispell city	97	217	185	238	287	341	358	212	122	102	49	28	16	0	24	62	63
Missoula city	157	369	556	1,247	1,449	1,253	1,201	862	605	408	282	170	37	57	73	18	155
Bonner-W Riverside CDP	0	0	12	52	58	36	59	14	25	14	0	0	0	0	0	0	4
Evergreen CDP	4	0	28	49	91	72	65	37	16	47	12	2	0	0	0	0	19
Helena Valley NE CDP	0	0	0	4	0	14	0	0	22	6	0	0	0	0	0	0	0
Helena Valley NW CDP	0	0	0	0	0	0	13	0	5	0	0	0	9	0	0	0	5
Helena Valley SE CDP	0	7	14	16	54	29	15	23	15	9	0	29	0	6	0	0	6
Helena Valley W Cen CDP	0	0	0	14	0	64	96	22	28	14	37	9	3	3	0	0	19
Helena West Side CDP	0	0	6	15	7	35	8	28	7	7	6	0	0	0	0	0	17
Lockwood CDP	13	0	15	0	28	58	36	16	38	34	11	12	0	0	0	0	17
Lolo CDP	0	0	8	6	41	18	51	19	9	18	8	8	0	0	0	0	10
Malmstrom AFB CDP	6	0	0	15	32	229	260	160	21	38	6	18	7	7	6	0	520
Orchard Homes CDP	7	12	16	139	302	233	283	247	219	65	28	23	9	7	13	0	43
Sun Prairie CDP	0	0	0	4	0	0	7	0	13	0	0	5	0	0	0	0	0
Beaverhead County	69	68	121	133	206	135	67	48	0	17	15	4	0	0	0	0	174
Big Horn County	21	82	157	239	129	84	86	122	11	23	13	5	0	0	0	0	138
Blaine County	29	67	126	119	82	88	42	25	19	9	2	0	0	2	0	0	176
Broadwater County	11	14	28	25	44	19	40	13	7	8	8	4	0	0	0	0	55
Carbon County	17	39	51	84	118	90	72	40	30	17	3	4	1	2	0	0	109
Carter County	0	6	10	10	17	0	2	2	2	0	0	0	0	0	0	0	43
Cascade County	26	63	67	122	161	106	106	48	48	21	15	10	5	0	6	0	124
Chouteau County	10	22	59	48	55	54	25	26	14	4	7	0	2	0	0	0	139
Custer County	40	72	177	269	252	169	151	76	47	54	8	0	0	5	0	0	90
Daniels County	7	16	20	29	12	7	11	2	1	11	0	0	0	0	0	0	34
Dawson County	16	67	148	144	121	102	141	62	13	6	13	0	0	11	0	7	61
Deer Lodge County	91	148	253	135	164	71	47	41	15	7	0	0	0	0	0	0	93
Fallon County	28	9	36	31	35	29	13	4	11	7	2	2	0	0	0	0	35
Fergus County	37	66	144	190	145	195	87	79	29	8	2	0	4	0	0	0	123
Flathead County	66	121	185	329	409	589	432	296	285	116	128	50	64	18	61	0	321
Gallatin County	47	83	96	196	235	401	299	256	142	99	86	70	23	44	26	11	191
Garfield County	0	0	8	7	27	16	0	2	0	2	0	0	0	0	0	0	59
Glacier County	85	116	224	185	161	178	81	87	75	42	8	8	11	2	4	0	145
Golden Valley County	0	0	0	17	7	0	4	1	0	0	0	0	0	0	0	0	18
Granite County	16	7	20	43	45	19	13	4	8	0	0	0	2	0	0	0	64
Hill County	89	108	247	343	313	284	264	217	102	53	25	28	13	4	0	4	186
Jefferson County	24	26	46	49	71	85	58	31	10	13	6	0	2	0	7	0	86
Judith Basin County	2	14	16	22	30	14	7	5	0	0	0	0	0	2	0	0	58
Lake County	118	224	167	324	295	287	161	114	56	42	9	21	0	0	0	0	262
Lewis and Clark County	9	18	30	65	60	60	81	29	33	16	13	11	0	2	0	0	56
Liberty County	7	12	17	21	24	14	15	12	2	3	3	0	0	0	0	0	51
Lincoln County	60	97	167	193	374	224	185	86	35	35	15	1	8	0	2	0	149
Madison County	9	25	32	56	55	71	52	68	13	4	8	0	0	11	5	0	120
McCone County	2	3	2	15	29	20	9	10	4	1	0	2	0	2	0	0	33
Meagher County	6	8	17	23	13	31	10	9	3	0	0	0	0	0	0	1	54
Mineral County	3	26	17	81	47	34	26	12	8	2	7	2	2	0	0	2	35
Missoula County	0	28	29	109	129	162	173	100	20	129	46	7	10	0	25	0	138
Musselshell County	16	47	8	47	49	61	9	17	7	2	0	0	0	0	0	0	49
Park County	34	123	134	187	261	236	176	122	77	40	39	10	0	14	10	0	187
Petroleum County	0	0	0	0	8	5	0	0	0	0	0	0	0	0	0	0	18
Phillips County	33	34	56	51	74	43	45	45	16	6	6	4	2	0	0	0	109
Pondera County	19	18	57	106	71	105	29	15	26	11	3	1	0	0	0	0	137
Powder River County	0	2	12	17	14	15	23	5	3	2	0	0	0	0	0	0	57
Powell County	6	25	106	108	99	71	29	32	23	4	0	0	0	0	0	0	77
Prairie County	7	3	9	18	20	5	2	0	0	0	0	2	0	0	0	0	26
Ravalli County	26	99	181	276	276	330	226	189	100	104	32	16	11	9	0	6	207
Richland County	28	94	136	104	197	175	90	57	34	31	4	0	8	0	0	0	99
Roosevelt County	15	70	185	168	180	176	109	52	70	45	8	6	2	4	4	0	154
Rosebud County	41	95	78	133	86	95	117	45	33	37	30	0	26	0	0	0	153
Sanders County	17	54	106	141	74	109	48	22	17	6	2	0	3	0	0	0	131
Sheridan County	16	15	31	63	55	48	24	19	8	0	10	15	1	0	0	2	67
Silver Bow County	242	475	527	506	544	552	440	258	161	79	30	4	0	0	0	0	192
Stillwater County	32	20	25	64	81	79	62	44	19	15	7	3	2	0	0	0	63
Sweet Grass County	9	23	28	51	39	42	15	3	5	3	6	1	0	0	0	0	54
Teton County	22	26	54	65	70	47	38	27	25	7	5	7	0	0	0	0	78
Toole County	32	45	77	72	44	47	54	38	1	9	14	0	0	0	0	0	72
Treasure County	2	5	14	2	4	3	0	2	3	0	0	0	0	0	0	0	26
Valley County	44	53	80	117	171	87	66	25	50	26	15	0	6	0	0	0	92
Wheatland County	6	20	15	29	17	7	10	5	3	0	0	0	0	0	0	0	43
Wibaux County	2	18	16	7	8	11	13	1	0	0	0	0	0	0	0	0	29
Yellowstone County	36	109	143	187	278	232	225	170	125	48	20	8	8	7	35	0	255
Montana	2,862	5,449	7,767	11,280	13,129	13,364	11,422	7,941	4,981	3,401	2,056	1,094	551	494	585	277	7,243

AFFORDABILITY FOR HOME BUYERS

With respect to affordability, what holds true for renters is generally true for first-time home buyers in Montana. The cost of buying a home in rural Montana is less than it is in the cities and CDPs, although there is some disparity among rural areas in the average values of vacant, for sale homes. Table 66, shows the average values for homes in cities, census designated places, remaining rural areas, and in Gallatin County, which had the highest average home value in Montana according to the 1990 Census. Those average values are used to show costs to first-time home buyers who are able to use conventional financing. Recognizing that many first-time buyers cannot come up with the cash required at closing in order to utilize conventional financing, Table 66 gives some examples of the cash and income requirements for both RECDS and FHA financing.

TABLE 66
INCOME NEEDED TO PAY THE MONTHLY HOUSE PAYMENT
ASSUMES 9 PERCENT FIXED RATE MORTGAGE

AREA	PURCHASE PRICE	DOWN PAYMENT	MONTHLY PAYMENT	MINIMUM INCOME NEEDED	% HH WITH INCOME > $26,000
Gallatin County	$82,600	$11,160	$885	$35,400	
City Average	$67,700	$9,290	$760	$30,000	53.3%
CDP Average	$60,800	$8,420	$690	$27,600	50.0%
Rural Average	$49,000	$6,930	$580	$23,200	54.6%
RECDS Financing	$26,000	$1,010	$380	$16,200	
	$40,000	$1,170	$620	$20,800	
	$50,000	$1,310	$615	$24,600	
FHA Financing	$40,000	$1,900	$540	$21,600	
	$60,000	$2,300	$640	$26,600	
	$60,000	$2,700	$740	$29,600	

Vacancy rates are high in eastern and north central Montana, the average asking price for a vacant, for sale home was under $26,000 at the time of the 1990 Census. At this rate, a household income of approximately $15,200 would make a home in those areas affordable if the potential home buyer is able to take advantage of RECDS financing. In rural areas, income may not be a limiting factor.

In the rural regions of south central and southwestern Montana, which have relatively high vacancy rates, an average home was reportedly valued at about $50,000 in 1990. An annual household income of approximately $24,000 to $25,600 (depending on the type of financing available) would generally make a home affordable in these regions. The average asking price of a vacant, for sale home in rural western Montana is generally higher than in other rural areas of the state. In those higher-cost areas, the asking prices were $60,000 or more, which requires a minimum household income of approximately $27,000 to $30,000, depending on the type of financing available.

In the CDPs, the average home value was approximately $60,800 in the 1990 Census. With conventional financing, the minimum income required to buy that $60,800 home is $27,600. Average home value in the major cities is approximately $67,700, requiring a minimum annual income of approximately $30,000 if the buyer uses conventional financing. The major cities have comparatively low vacancy rates ranging from 4.0 percent to 10.2 percent as opposed to the rural range of 17.3 percent to 22 percent. This indicates a higher demand for housing in the cities and supports the higher cost of housing in those areas.

It is important to note that while mortgage rates appear affordable to many, especially since interest rates have fallen to as low as 6.5 to 7 percent, one can no longer use census figures for an accurate value of housing sales costs.[29] Another difficultly relates to the ability to save for a down payment, which can be a prohibitive factor, especially for the use of conventional financing. While the down payment requirements are lower for FHA financing, monthly payments and minimum income requirements are higher due to the larger loan amount. Also important to note is that the banking industry calculations for minimum income requirements are based on the standard that the total of principle, interest, property tax, and insurance payments cannot exceed 28 percent of gross income. It is also a standard requirement that total monthly obligations (including automobile and credit card payments) not exceed 36 percent of gross income.[30] For households whose other monthly obligations exceed 8 percent of gross income, their minimum income required to purchase a home will be higher than indicated in Table 67. All area cost values for owner-occupied homes are presented in Table 67.

Table 67 also lists that portion of total Montana households that earn less than $25,000 annually. Examining the incomes required if housing costs are not to exceed 30 percent of income, we see that purchasing a home through conventional financing is out of reach for over half of the people in the cities and CDPs. Purchasing a low-priced home becomes more affordable through the use of RECDS or FHA financing and in the rural areas of the state. However, the question again becomes one of whether or not these low-priced (and typically rural) homes are in a good enough condition that they would qualify for either conventional or federally insured financing.

[29] It is the opinion of the Montana Board of Housing that housing prices have increased faster than interest rates have fallen, thereby leading to a slowdown in the provision of affordable housing to Montanans and further affordability problems for home buyers.

[30] Colleen Cebula, First Interstate Bank of Missoula. (1992)

TABLE 67

VALUE OF OWNER OCCUPIED HOUSING UNITS

(IN THOUSANDS OF DOLLARS)

AREA NAME	To 15	15-20	20-25	25-30	30-35	35-40	40-45	45-50	50-60	60-75	75-100	100-125	125-150	150-175	175-200	200-250	250-300	300-400	400-500	500+
Billings city	174	129	249	344	534	544	878	1,175	3,309	4,341	3,198	956	410	180	128	113	40	33	0	0
Bozeman city	0	9	17	29	48	59	112	139	395	923	566	121	59	54	21	0	11	0	0	0
Great Falls city	148	119	198	242	396	858	734	852	2,480	3,076	1,975	440	242	125	68	68	17	0	0	0
Helena city	33	25	26	85	110	194	297	359	982	1,283	981	215	120	40	19	9	5	0	0	6
Kalispell city	15	47	43	91	111	143	231	245	522	602	310	100	20	18	0	0	0	0	0	0
Missoula city	52	8	45	44	244	296	447	548	1,489	2,058	1,457	329	162	82	39	41	47	8	0	0
Bonner-West Riverside CDP	7	8	28	19	41	22	13	22	5	8	16	0	0	0	0	0	0	0	0	0
Evergreen CDP	17	0	8	18	27	15	30	90	144	134	27	14	0	4	0	0	0	0	0	0
Helena Valley NE CDP	0	0	0	0	0	0	8	13	60	74	32	21	18	0	0	0	0	0	0	0
Helena Valley NW CDP	0	0	0	0	0	0	22	42	44	71	11	8	6	0	0	0	0	0	0	0
Helena Valley SE CDP	6	0	5	0	12	8	80	108	234	137	59	12	0	0	0	0	0	0	0	0
Helena Valley W Cen CDP	0	0	7	15	12	5	30	36	243	405	329	37	24	0	0	0	0	0	0	0
Helena West Side CDP	6	0	0	16	0	19	62	23	45	50	50	16	17	0	0	0	0	0	0	0
Lookwood CDP	0	11	0	43	20	39	64	81	151	137	25	7	0	0	0	0	0	0	0	0
Lolo CDP	0	0	0	0	0	5	19	54	174	148	113	4	4	0	0	0	0	0	0	0
Malmstrom AFB CDP	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0
Orchard Homes CDP	12	0	6	36	28	26	51	86	318	492	436	79	81	21	17	0	0	0	0	0
Sun Prairie CDP	0	0	8	0	0	14	17	8	56	44	46	8	4	0	0	0	0	0	0	0
Beaverhead County	43	11	72	44	57	70	84	128	196	247	162	35	35	12	0	8	0	0	0	0
Big Horn County	139	96	65	82	108	118	165	67	174	137	84	0	0	0	0	2	0	0	0	0
Blaine County	68	46	59	66	94	63	82	56	122	101	60	9	0	0	0	0	0	0	0	0
Broadwater County	14	10	27	25	49	53	77	44	81	78	48	3	7	2	4	0	0	0	0	0
Carbon County	74	33	103	107	94	96	112	112	164	177	154	37	22	32	0	12	5	3	0	0
Carter County	41	11	15	9	15	4	10	4	9	4	2	2	0	0	0	0	0	0	0	0
Cascade County	121	62	75	144	105	90	199	95	313	393	331	151	57	38	25	11	7	19	0	0
Chouteau County	54	43	53	65	59	52	48	44	98	115	42	15	4	9	0	0	6	0	0	2
Custer County	296	214	156	186	233	209	230	139	220	238	96	50	23	15	0	0	0	0	0	0
Daniels County	91	32	29	58	45	13	24	30	36	44	19	6	4	0	0	0	0	0	0	0
Dawson County	200	141	133	187	155	156	149	115	227	183	110	24	8	0	8	0	0	0	0	0
Deer Lodge County	280	220	224	266	284	183	240	171	207	165	154	6	7	0	0	0	0	0	0	3
Fallon County	85	39	43	31	50	41	39	54	40	56	33	0	0	0	0	0	0	0	0	0
Fergus County	146	102	114	192	157	199	157	126	254	236	107	52	31	0	5	0	0	0	0	0
Flathead County	66	79	93	142	224	252	442	415	848	1,536	1,480	534	332	166	88	152	61	16	5	19
Gallatin County	32	21	68	64	87	128	157	226	498	829	1,006	341	187	165	30	71	54	8	0	0
Garfield County	28	14	6	10	10	9	6	8	14	13	7	0	0	0	0	0	0	0	0	0
Glacier County	132	43	70	112	71	113	158	144	185	181	112	10	12	0	6	0	0	0	4	4
Golden Valley County	16	16	13	15	11	7	11	4	11	6	4	0	0	0	0	0	0	0	0	0
Granite County	34	48	42	31	38	23	35	30	25	58	23	7	0	0	0	0	4	0	0	8
Hill County	90	118	121	138	174	137	275	220	392	472	444	72	47	4	11	0	0	0	0	0
Jefferson County	22	33	26	42	70	69	100	85	106	253	296	85	27	8	9	9	0	0	0	0
Judith Basin County	45	25	37	19	24	16	19	10	27	31	10	0	0	0	0	0	0	0	0	0
Lake County	47	69	125	82	145	135	237	193	358	520	454	194	135	49	55	65	21	13	6	11
Lewis and Clark County	53	15	25	96	57	88	97	104	206	236	171	87	7	8	7	13	0	0	0	0
Liberty County	18	20	30	24	24	9	33	9	24	31	39	11	2	0	0	0	0	0	0	0
Lincoln County	96	90	100	152	221	285	300	220	435	482	241	57	45	8	10	0	0	2	0	0
Madison County	30	26	12	25	14	49	46	51	132	142	131	40	19	5	6	4	0	5	0	0
McCone County	58	28	22	22	30	17	31	7	16	18	17	7	0	0	0	0	0	0	0	0
Meagher County	19	31	27	10	26	33	17	17	34	24	14	9	0	0	0	2	0	0	0	0
Mineral County	25	31	17	30	36	37	54	37	45	68	26	16	1	0	0	0	0	0	0	0
Missoula County	19	21	52	31	36	130	154	188	425	696	752	240	181	108	28	47	17	0	7	0
Musselshell County	125	56	60	61	50	80	52	22	50	42	16	5	2	0	0	2	0	0	0	0
Park County	44	74	72	154	187	227	264	174	300	310	239	111	20	12	0	0	0	0	9	0
Petroleum County	33	3	2	2	2	8	4	4	2	2	0	0	0	0	0	0	0	0	0	0
Phillips County	114	39	43	44	61	49	42	27	119	95	59	9	2	0	0	0	2	0	0	0
Pondera County	83	41	52	62	94	122	76	56	116	142	70	21	11	0	0	0	6	0	2	0
Powder River County	10	7	11	10	16	12	12	6	20	37	11	0	2	0	0	0	0	0	0	0
Powell County	56	38	82	89	93	91	120	82	129	121	48	5	17	0	0	0	0	0	0	0
Prairie County	89	29	21	25	18	9	6	4	15	12	4	0	0	0	0	0	0	0	0	0
Ravalli County	30	48	81	96	195	209	273	224	626	943	686	213	76	26	31	20	4	0	0	0
Richland County	216	86	104	89	130	139	143	105	270	253	177	16	0	8	10	0	0	0	0	0
Roosevelt County	134	72	110	108	158	125	156	110	155	198	99	18	1	2	0	0	0	0	0	0
Rosebud County	86	49	39	52	54	91	99	36	212	282	153	24	0	0	0	0	0	0	0	5
Sanders County	70	68	87	82	112	81	73	127	127	147	66	16	5	1	0	3	2	0	0	0
Sheridan County	116	64	53	54	61	69	80	41	81	95	80	15	0	4	2	3	0	0	0	0
Silver Bow County	769	480	474	550	646	683	617	556	928	1,017	879	338	84	34	25	22	6	0	0	6
Stillwater County	22	19	31	27	53	55	72	66	199	201	142	32	19	7	0	0	0	0	0	3
Sweet Grass County	26	12	26	21	38	55	40	63	58	81	62	17	3	5	0	0	0	0	0	0
Teton County	51	40	53	66	58	93	78	65	184	115	80	15	6	0	0	0	0	0	0	0
Toole County	133	43	50	48	88	100	56	75	99	104	61	0	7	0	0	0	0	0	0	5
Treasure County	9	11	10	9	16	13	13	8	9	5	5	0	0	0	0	0	0	0	0	0
Valley County	249	62	123	85	154	151	134	125	147	147	96	12	2	0	3	0	0	2	0	0
Wheatland County	82	56	43	39	52	32	31	12	28	11	17	2	0	0	0	0	0	0	0	0
Wibaux County	35	9	8	17	15	12	10	4	19	6	2	2	0	0	0	2	0	0	0	0
Yellowstone County	85	75	113	155	182	259	332	457	638	987	892	333	101	90	45	67	23	0	6	3
Montana	5615	3603	4450	5434	6919	7696	9764	9466	21125	27204	20204	5671	2719	1319	700	746	338	107	39	75

ADDITIONAL COST BURDEN ANALYSIS

The following analysis examines the affordability of housing to homeowners and renters by looking at the percentage of monthly income that would be required to pay housing and utility costs for two-bedroom accommodations. It is designed to augment the affordability and cost burden discussion included in the FY 1994-98 Five-Year CHAS. That original narrative is still valid, as it utilized detailed 1990 Census data by geographic area, thereby representing a comprehensive analysis. A true update of that analysis to represent data in 1994 is not possible without revised census data. The levels of cost burden and housing cost are out of date because the housing market has changed swiftly in Montana.

The analysis presented here is more qualitative in nature, but it is intended to illustrate conditions being experienced in 1994. It provides an updated look at the cost burden for two-bedroom housing units by using current market prices, quoted interest rates, income estimates derived from the *1993 Montana Housing Survey*, and current Section 8 utility allowances (the estimated costs for the particular type of home for energy, water, sewer, and refuse collection). To iterate, this data is not intended to reflect exact estimates of the cost burden for Montana, but rather to offer relevant information depicting the current housing situation in the state.

COST BURDEN FOR FIRST-TIME HOMEBUYERS

In order to calculate the cost burden for homeowner households, three pieces of data are needed: mortgage payment, utility costs, and income. The current advertised housing prices (asking prices) were collected via random sample of 15 two-bedroom houses advertised for sale.[31] An average price of $70,000 was calculated from the sample and assumed to be representative of the cost of a two-bedroom house in the state. In addition, a random sample of banks in Bozeman, Missoula, and Kalispell was queried.[32] Loan officers were asked about current market rates, plus points and fees, totalling the monthly payments on a loan for the two-bedroom home. This is a conventional loan with a 20 percent down payment.

In addition, the bank representatives were asked if the market price was a reasonable reflection of the cost of such a house in their own respective areas. Typically, the loan officer put the price of such a house at a higher figure. In those cases, the loan amount was readjusted based on the new figures. The total monthly home purchase payment included the principal, interest, taxes, and insurance. As noted above, when calculating the cost burden, the monthly expense for housing utility costs were included. These latter figures were provided by Montana Department of Commerce, Housing Assistance Bureau.[33]

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[31] Sunday Billings Gazette, June-July 1994.

[32] The banks contacted were the First Security Banks in Bozeman and Kalispell, First Citizens Bank in Bozeman, and First Interstate Bank and Montana Bank in Missoula.

[33] Figures on utility cost for single-family and multifamily units were provided by George Warn, Montana Housing Assistance Bureau, MDOC. These related to gas space heat and water heat; electric cooking; no air conditioning; and water, sewer, and refuse collection in each of the respective cities.

In order to collect the remaining data required to compute the cost burden, household income figures were drawn from the *1993 Montana Housing Survey*. The incomes were grouped into categories based on the median family income for the state. Table 68, below, describes the four income groups and the ceilings above which a cost burden or a severe cost burden are encountered. For each group, cost burdens were calculated from the maximum income level (or income category ceiling). A monthly mortgage payment (with utilities) in excess of $350 would therefore represent a cost burden to over one-fourth of the survey's respondents, or about 25 percent of all Montana households.

TABLE 68
INCOME DISTRIBUTIONS FROM THE 1993 MONTANA HOUSING SURVEY
ESTIMATED COST BURDEN

INCOME CATEGORY CEILINGS	PERCENT OF RESPONDENTS	YEARLY HOUSEHOLD INCOME	ESTIMATED COST BURDEN	ESTIMATED SEVERE COST BURDEN
Extremely Low Income	26.7%	≤ $14,021	> $350 a month	> $584 a month
Very Low Income	18.0%	to $22,434	> $560 a month	> $935 a month
Low Income	11.7%	to $26,640	> $660 a month	> $1,110 a month
Other Households	43.0%	≥ $26,640	NA	NA

Table 69, below, provides the monthly housing payments for a two-bedroom house in three Montana cities. The table shows the monthly payment on a two-bedroom house purchased with a 30-year conventional loan with a 20 percent down payment. The loan is at a current market interest rate of 9 percent. As mentioned previously, the value of a two-bedroom house varied from one area to another, ranging from $70,000 to $100,000. A base value of $70,000 was used, but whenever the loan officer suggested that the cost is higher than this amount, the average market price was based on their revised figures.

TABLE 69
COST BURDEN FOR HOMEBUYERS
TWO-BEDROOM SINGLE-FAMILY HOME

CITY	AVG PRICE/LOAN ($1,000s)	MORTGAGE PAYMENT/MONTH (Prin + Int)	MONTHLY TAXES AND INSURANCE	MONTHLY UTILITY COST	TOTAL COST	COST BURDEN INCOME	SEVERE COST BURDEN INCOME
Bozeman	$77/61	$495	$130	$108	$734	$29,360	$17,616
Kalispell	$70/56	$450	$130	$97	$677	$27,080	$16,248
Missoula	$73/58	$470	$155	$104	$729	$29,160	$17,496
Simple Average (unweighted)	$73/58	$472	$138	$103	$713	$28,520	$17,112

Comparing Tables 68 and 69 reveals that for those with extremely low and very low incomes, owning a home represents a cost burden that exceeds 30 percent of the gross income for over 56.4 percent of the survey's respondents. This is substantiated by the 1990 Census, which indicated that a few years earlier, in 1989, nearly 54 percent of all Montana households earned less than $25,000 per year.

Table 69 also presents the level of annual income a household may be receiving if experiencing a severe cost burden. Note that all severe cost burden income levels are above $16,000. Here, the 1990 Census has indicated that over 32 percent of Montana's households earned less than $15,000

in 1989.[34] However, for this class of households, current lending practices will not allow loans to be made to householders who would experience a severe cost burden, therefore a cost burden would happen less frequently with owners than with renters.

COST BURDEN FOR TWO-BEDROOM RENTAL

A random sample of advertised rental prices for two-bedroom units was selected, as was a sample of property managers in the three cities cited above.[35] A current listing of the monthly utility costs for a two-bedroom multifamily unit were obtained and added to the rental costs.[36] The result was the total monthly housing cost.

Table 70, below, summarizes the monthly cost of a two-bedroom apartment as derived from the sampled newspaper advertisements and property management representatives. It is important to indicate that unit attributes and rental rates vary by location.

TABLE 70
COST BURDEN FOR RENTERS
TWO-BEDROOM APARTMENT

CITY	MONTHLY RENT	UTILITY COST	TOTAL COST	COST BURDEN MIN INCOME	SEVERE BURDEN MIN INCOME
Bozeman	$675	$106	$781	$31,240	$18,744
Kalispell	$500	$111	$611	$24,440	$14,664
Missoula	$425	$111	$536	$21,440	$12,864
Simple Average (unweighted)	$533	$109	$643	$25,707	$15,432

The table above indicates similar results to those found in the case of for-purchase housing. The monthly payment for rent represents a cost burden for a significant portion of Montana's households. While the cost burden for renters does not appear to be quite as severe as the cost burden for prospective home buyers. Property managers have indicated that there were several people waiting to see available rental units. Such incidents affirm what has been stated earlier: there is a shortage of rental housing. Such shortages artificially keep prices high and present barriers, keeping some people from participating in the housing market.

To illustrate the dilemma facing Montana's citizens, a cost of living index specific to housing was gathered for several cities throughout the state. This data is compiled quarterly for 250-300 urban areas nationwide by the American Chambers of Commerce Research Association (ACCRA).

This index is a relative comparison, with the national average set equal to 100. It does not measure inflation. Each quarter is a unique measurement. Both the number and mix of participants can change from one quarter to the next, thereby altering the underlying comparability of the data.

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[34] 1993 State of Montana Comprehensive Housing Affordability Strategy (CHAS), pg. 74.

[35] The Sunday Billings Gazette, June-July 1994.

[36] Figures on utility cost for multifamily units were provided by George Warn, Montana Dept. of Commerce, Housing Assistance Bureau.

Furthermore, some judgement sampling occurs with items within categories. Data is provided by participating chambers of commerce, or similar organizations, and no precise representation can be made as to the absolute reliability of each submitting entity's data. It is reasonable to assume that individual entities can collect data somewhat differently from time to time, thereby reducing the precision of a *long-term* or *time-series* representation. ACCRA inspects the data and discards or deletes perceived errors and omissions. Still, small differences between the index values of one area and those of another area cannot be construed as significant disparities in the cost of living. On the other hand, large differences can indeed represent real variations in the costs of living. Regardless of the above caveats, the data presents a reasonable *point-in-time* comparison between areas.[37]

ACCRA COST OF HOUSING INDEX

QUARTER, YEAR	BOZEMAN	HELENA	MISSOULA	BILLINGS	DENVER, CO
4Q, 90	94.1	NA	NA	NA	101.7
1Q, 91	93.1	NA	NA	NA	103.6
2Q, 91	94.5	89.9	87.8	NA	104.5
3Q, 91	90.6	NA	86.8	NA	101.8
4Q, 91	100.2	NA	94.5	NA	105.9
1Q, 92	103.4	NA	94.1	NA	106.2
2Q, 92	99.6	103.7	94.5	NA	109.9
3Q, 92	106.0	99.5	92.8	107.2	109.5
4Q, 92	106.9	101.7	98.5	109.5	112.4
1Q, 93	109.9	NA	93.5	116.8	112.6
2Q, 93	111.6	95.2	96.6	110.0	118.4
3Q, 93	113.3	NA	96.7	110.9	117.8
4Q, 93	120.2	NA	97.1	111.5	120.2

The cost of housing index indicates some variation in the cost of housing around the state. Further, it is most interesting to note that the rates of increase across all sampled cities are rising faster than the national average, with Bozeman already 20 percent higher than the national norm for comparable housing.

In summary, Montana's cost of housing is rising faster than the national average, and the margins of cost burdens are increasing while wages are stagnant or falling. While more illustrative than strictly quantitative, the results of the ACCRA analysis correspond to the overall picture of housing conditions in Montana.[38] Difficulties are persistent, severe, and seem to resist easy solution.

HOUSING

As noted elsewhere in the plan, previous analysis has determined that a constrained supply of housing coupled with rising housing demand has been causing a substantive rise in the price of housing. This rise in housing cost has impacted many of Montana's citizens. While it is true that

[37] The ACCRA Housing Index is weighted with 25 percent rent for a two-bedroom apartment and 75 percent the monthly mortgage payment, using current interest rates, on an 1,800 square foot home (assuming a 25 percent down payment).

[38] Data derived from the various sources are, admittedly, not precise or necessarily quantitatively consistent. Further, the *1993 Montana Housing Survey* data pertained to incomes of renters as well as current homeowners, some of whom may have already paid off their homes It does, however, indicate the difficulty that citizens are encountering when first entering the home ownership market and the overall rental market.

development of new housing has been occurring, has it been occurring on a sufficiently large scale to absorb the rise in population? Table 71, on the following page, will assist in answering this question.

Between 1990 and 1994, 4,833 single-family homes were constructed, as were 219 duplexes, 138 three- and four-unit structures, and 115 buildings with five or more units. If one were to assume that the three- and four-unit structures were all four-unit facilities, and that the five-or-more unit facilities all had ten units each, then the total number of dwelling units constructed would be 6,973. The nearly 7,000 units added to the housing stock would be serving an estimated rise in the population of about 57,000, or about eight people per household. However, the average number of persons per household for Montana is about 2.6. This suggests that nearly 22,000 housing units would be required just to maintain the current level of supply.[39] These data indicate that, rather than easing, the market for affordable housing is becoming increasingly tight, with prices rising. Table 80 also illuminates two other important issues. Most of the housing development pertains to single-family homes, which make up about 70 percent of the new housing stock. Analysis presented in the Consolidated Plan has noted that affordable rental housing is critically short. New development patterns are not addressing this particular market. Moreover, development of housing is concentrated in a handful of areas: Flathead, Gallatin, Missoula, and Yellowstone counties. Several counties have not had any additions to the housing stock over the 1990-94 period.

[39]Absent from the construction data are counts of manufactured and mobile homes. Nevertheless, there would need to be nearly 15,000 of these units--27 percent more than four years ago--to compensate for the shortage. This is an unlikely prospect.

TABLE 71
PERMIT AUTHORIZED CONSTRUCTION IN PERMIT ISSUING AREAS

	SINGLE FAMILY				DUPLEX				3 & 4 UNIT				5 OR MORE UNIT				TOTAL			
COUNTY	1990	1991	1992	1993	1990	1991	1992	1993	1990	1991	1992	1993	1990	1991	1992	1993	1990	1991	1992	1993
Beaverhead	5	7	6	6	0	0	0	1	0	0	0	0	0	0	0	0	5	7	6	6
Big Horn	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	4
Blaine	1	20	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	20	1	0
Broadwater	0	1	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	2
Carbon	1	2	4	3	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4	3
Carter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cascade	53	86	102	109	1	0	2	1	0	0	0	0	0	2	4	0	54	88	108	110
Chouteau	2	2	1	3	0	0	0	0	0	0	0	0	0	0	0	0	2	2	1	3
Custer	2	4	12	5	0	0	2	1	0	0	0	0	0	0	0	0	2	4	14	8
Daniels	0	1	1	3	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	3
Dawson	3	2	3	2	0	0	0	0	0	0	0	0	0	0	0	0	3	2	3	2
Deer Lodge	2	4	1	14	0	0	1	0	0	0	0	0	0	0	0	0	2	4	2	14
Fallon	0	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	1	0
Fergus	1	7	3	11	0	0	0	0	1	1	1	2	0	0	0	0	2	8	4	13
Flathead	76	124	229	369	1	6	6	14	6	6	2	10	7	4	11	4	84	140	251	397
Gallatin	66	170	264	327	4	11	22	38	5	16	12	15	0	0	1	3	67	197	299	383
Garfield	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Glacier	5	7	4	2	0	0	0	0	1	1	0	0	0	0	0	0	6	8	4	2
Golden Valley	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Granite	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hill	3	12	3	3	0	0	0	0	0	0	0	0	0	0	0	1	3	12	3	4
Jefferson	4	3	2	3	0	0	0	0	0	0	0	0	0	0	0	0	4	3	2	3
Judith Basin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lake	16	14	26	33	0	1	4	3	0	2	1	2	1	1	0	1	19	18	31	39
Lewis & Clark	35	28	54	58	2	3	6	6	7	1	3	5	2	0	0	0	46	33	65	68
Liberty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lincoln	1	3	3	1	1	0	1	0	0	1	0	1	0	0	0	1	2	4	4	3
McCone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Madison	7	8	16	15	0	0	0	0	0	1	0	0	0	0	0	0	7	9	16	15
Meagher	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mineral	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Missoula	164	267	414	446	1	1	13	16	3	22	11	6	8	21	1	31	206	311	439	501
Musselshell	1	1	1	4	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	4
Park	4	4	7	11	0	0	0	4	0	0	0	0	0	0	0	1	4	4	7	16
Petroleum	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Phillips	3	2	1	6	0	0	0	0	0	0	0	0	0	0	0	0	3	2	1	6
Pondera	6	5	6	6	0	0	0	0	0	0	0	0	0	0	0	0	6	5	6	6
Powder River	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Powell	1	1	1	5	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	5
Prairie	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ravalli	9	20	36	60	0	2	8	5	1	0	1	1	3	0	0	1	13	22	48	67
Richland	12	2	1	14	0	0	0	0	0	0	0	0	0	0	0	0	12	2	1	14
Roosevelt	1	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	1	2	0	2
Rosebud	1	0	0	7	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	7
Sanders	0	4	4	2	0	0	0	0	0	0	0	1	0	0	0	0	0	4	4	3
Sheridan	1	0	3	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	3	1
Silver Bow	43	44	61	53	4	2	0	2	0	0	0	5	0	0	0	0	47	46	61	60
Stillwater	1	2	3	8	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3	8
Sweet Grass	0	0	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3
Teton	1	2	3	5	0	0	0	0	0	0	0	0	0	0	0	0	1	2	3	5
Toole	2	1	3	6	0	0	0	0	0	0	0	0	0	0	0	0	2	1	3	6
Treasure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Valley	4	0	4	6	0	0	0	0	0	0	0	0	0	0	0	0	4	0	4	8
Wheatland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wibaux	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Yellowstone	152	204	431	436	2	3	6	20	1	0	0	6	0	3	0	22	155	210	439	488
Montana	745	1,049	1,724	2,060	16	29	79	111	27	51	31	56	21	31	17	67	809	1,160	1,851	2,294

HOUSING DEMAND AND SUPPLY

Three housing availability issues are of concern for Montana. The first is the availability of rental units, especially low-cost units. The second issue is the availability of homes that meet the criteria for loan assistance and mortgage insurance. The third availability issue is the number of affordable homes on the market for low- and moderate-income people.

In regard to the first issue, there were approximately 34,601 low-rent units (units that cost no more than $250 per month) in Montana at the time of the 1990 Census. Approximately 11,389 low-rent units were federally assisted, and the waiting list for publicly assisted units numbered 6,285. The supply of low-rent and/or assisted units does not meet the demand. There is a great disparity between the number of households earning less than $10,000 and the actual number of low-rent units.

The second issue is the availability of homes that meet the criteria for loan assistance and mortgage insurance. It is true that the housing market is tight in some areas of the state, particularly in the major cities. However, in the rural areas of the state where vacancy rates are higher (particularly in the eastern region), the issue becomes more complicated by one of housing condition. In many instances, the poor condition of the vacant homes preclude the use of federal mortgage insurance programs. Without these programs, homes are not easily financed and are consequently out of reach for many potential home buyers. The result is a diminished supply of affordable homes.

The third availability issue is the shortage of affordable homes on the market for low- and moderate-income people. This is of particular concern in the major western Montana cities, which tend to have the lowest vacancy rates in the state and the highest home values (according to the 1990 Census). Where the market is tight and prices are escalating, it is becoming increasingly difficult for low- and middle-income people to purchase homes.

To get an overall picture of the availability of housing units, Table 72, combines data on both rental and owner-occupied housing. This table uses 1990 Census information on rental units by price range and value of owner-occupied housing units. The table adds the number of rental units available for under $300 and homes valued at less than $35,000. This number of housing units is then compared to the number of households earning less than $15,000. The lack of available housing can be seen in the last column. Overall, these numbers point to a large gap between the demand for housing and the supply of affordable housing; the difference may be as large 25,000 units.

TABLE 72
AVAILABILITY OF RENTAL UNITS AND FOR-PURCHASE HOMES COMPARED TO NEED

AREA	NUMBER OF RENTAL UNITS > $300	NUMBER OF HOMES > $35,000	TOTAL UNITS	HH WITH INCOMES > $15,000	NET SHORTAGE
City Average	17,878	3,611	21,489	32,047	10,558
CDP Average	1,735	414	2,149	4,250	2,101
Rural Average	28,117	21,996	50,113	62,251	12,138
TOTAL	47,730	26,021	66,508	98,548	24,797

This particular computation pertains most explicitly to the 1990 Census cost burden analysis presented a few pages previous. It is believed that these figures are even too low if applied to the 1994 affordable housing shortage.

SUMMARY

Single-family detached homes are the predominant housing type in Montana, making up about 66 percent of the housing stock; the share of the stock varies widely at the local level. About 21 percent of the statewide stock of homes were built prior to 1940, increasing the probability of lead-based paint hazards, especially for low income households. Other maintenance and structural deficiencies also tend to exist in these older structures, as does a higher incidence of vacancy. Sixty-six percent of the housing stock has two or three bedrooms.

In recent years, the single-family housing market has tightened, with sharp increases in home and rental prices. Because of rising unemployment rates and falling wage rates, some households face a wide financial gap between the supply of affordable housing and the quantity demanded. Market conditions are very favorable for the sale of existing homes at premium prices and development of expensive to upper-end single-family houses that sell quickly in rapidly growing parts of the state. While data seems to support a need for affordably priced homes, the market is not supplying those units to any appreciable degree.

For multifamily units and rental property, market conditions favor existing units commanding increasing rents. Pressure on rents in rapidly growing areas of the state does not appear to be easing, as few new, affordable multifamily units are being constructed. In slower to declining sections of the state, low incomes suppress even modest rental property improvements, thereby increasing the incidence of deferred maintenance. Housing suitability problems are persisting in these areas.

5. PAST HOUSING PROJECTS

In the variety of housing conditions, affordability problems, and affordable housing shortages presented above, the range of possible solutions is expansive. Needs can vary greatly by community. From elderly to transitional to rehabilitation to new construction, the size and degree of the problem is not alike. From 1992 through 1994 $16.3 million was requested over the last three years from the HOME program alone. These funds were to be used with other matching funds, increasing the grant total to some $45.4 million. The 58 CDBG housing projects funded over the last 12 years equal more than $22 million in CDBG funds alone. These projects are distributed all over the state and include

rehab, new construction, conversion, homebuyer development, and disabled access construction. Montana expects this range of needs to continue. A complete table of projects funded under the CDBG and HOME programs is located in Section II under Consolidated Plan Programs. In addition numerous Community Housing Development Organizations, Housing Authorities, Human Resource Development Councils and other organizations are invovled in affordable housing proejcts. While there is wide spread concern, the resources available do not even begin to meet the need in this state.

6. BARRIERS TO AFFORDABLE HOUSING INSTITUTIONAL/OTHER BARRIERS

The *Survey of Montana's Housing Needs* was sent to a sample of people throughout the state. The 385 prospective respondents were taken from the FY 1993 CHAS distribution list. Respondents were asked about the impact of building and energy efficiency codes and zoning regulations on cost of housing. It was the opinion of the group that these types of public policy issues do not appreciably affect the cost of housing. The vast majority noted that the codes and regulations had no effect on the cost of housing; one indicated that these types of actions decrease the cost, and 10 to 13 respondents noted that these actions can increase the cost. One can deduce that these policies may increase the initial cost of housing only modestly.

One question asked about the barriers to creating affordable housing that exist due to area market conditions. Responses included land cost, lack of sites in close proximity to services, shortage of rentals, and development costs in outlying areas as barriers to potential construction of affordable housing. Lots that are available are too expensive due to scarcity. The majority of people who can afford the high prices are newcomers who are bringing in high dollar equity gained from West Coast sales, thus pushing up the demand for local home sales and inflating home values. The demand for good home sites exceeds the supply.

Also, the number of rental vacancies is low, and the high average purchase price of homes forces people to remain in rentals. Housing costs exceed the income level of most local prospective buyers. The majority of homes being built are expensive, larger, single-family homes -- especially for newcomers who are willing and able to pay higher prices. The direction that developers are taking makes it difficult for the elderly, single parents, and low- to moderate-income persons to find affordable housing. Those who are able to find a house to rent or buy are often unable to afford it. The limitations and/or restrictions on home ownership programs do not alleviate the high cost of housing for families on fixed incomes. The market condition and housing vacancy rates support persons who can afford to pay mortgages of $650 or more. Without a loan, many prospective buyers are unable to fulfill down payment requirements.

The survey also asked what organization or institutional barriers to affordable housing were present. Answers included the way in which institutions and organizations handle and develop funding priorities or criteria for selecting housing projects. Respondents stated that the funding priorities do not expand safe, decent, and/or affordable housing where it is needed. City, county, state, and federal resources and programs are not adequate to address and identify housing problems. Many local and state program organizations and nonprofits lack the interest that is needed to initiate a program to deal with housing issues. Programs tend to focus on creating housing that is affordable

to those earning 80 percent of the median income, rather than those on AFDC, etc. Local governments lack fiscal assistance and commitment. There are no zoning incentives, and no affordable housing requirements for new subdivisions. Sometimes city zoning regulations prohibit and/or discourage mobile homes, in-fill, and multifamily development. Funds may sometimes be lacking for rehabilitation of existing homes. Most rentals are old and landlords do not reinvest rental income in maintaining the interior or exterior of the structures. Taxes and sewer extension costs increase the expenses of building outside city limits, where land is affordable and regulations are more "friendly."

When asked how housing problems might be solved, respondents stated that any significant solution to facilitate the affordable housing crisis would involve all sectors of the state. Financing from local lenders is required for both acquisition and development loans and permanent financing for home buyers. Potential barriers such as the application process, financing, and unduly restrictive zoning restrictions will need to be addressed both at the local and state levels. Local banks need to look beyond seeking just CRA credits. The development of affordable housing is a capital-intensive business; therefore, the issuers of debt must be willing participants. Affordable housing is the key element of local infrastructure. There must be affordable housing to maintain local jobs. The economy is unstable and jobs are important to investing in housing or upgrading existing homes.

Since home prices can't be lowered, a tax incentive or some sort of builder's incentive would boost the sales of family units within the HUD mortgage limits. To counterbalance, HUD should raise the area limits. County officials can promote and assist in allowing construction of rental units that rent for prices commensurate with local area residents' incomes. Rental and down payment assistance should be offered to assist low income residents and elderly adults with disabilities. A thorough assessment of needs should be incorporated into a plan that addresses Montana's housing dilemmas in all categories.

The *1993 Montana Housing Survey*, a survey distinctly different from that mentioned above, was designed to collect specific data from a randomly drawn sample of Montana citizens. The sample totaled 3,600 people. Respondents were asked to vote "yes" or "no" regarding whether building and zoning codes adversely affect the affordability and availability of housing in their area. A majority indicated that neither type of public policy adversely affected housing. However, these responses need to be evaluated on a substate basis. In rapidly growing communities, some believe that zoning and building codes often adversely affect the housing supply. Furthermore, very few counties in Montana have adopted zoning regulations and many counties in Eastern Montana have little subdivision review and inactive or non-existent planning boards and staff. In the larger western towns, this is not the case.

The questionnaire asked respondents if building and zoning regulations adversely affected the availability of housing in their area. Overall, respondents indicated little impacts of these types of regulations, as noted in Table 73. However, a particular segment of the sample population stated a strongly adverse impact; lower income groups were much more likely to state the adverse impact of building and zoning regulations on availability as well as affordability of the housing in their area. In each case, as income rose, so did the percentage of respondents who stated there was no adverse

impact. This implies that low income persons perceive building and zoning regulations as discriminatory.

Respondents were asked to offer their own opinions on the major factors that affect a person's ability to purchase homes in their area. The most frequently cited reasons are shown on the table below, with the predominant ones all relating to affordability. The factor with the greatest number of citations was low incomes, the second affordability, and the third jobs. Aside from the obvious need for a strong economic base to provide more and higher paying employment, other opinions were offered. These included difficulties encountered in the financing and loan process. Particularly, many respondents considered it difficult to come up with a down payment.

TABLE 73
FACTORS AFFECTING ABILITY TO BUY HOMES
1993 MONTANA HOUSING SURVEY

FACTOR	NUMBER	FACTOR	NUMBER
Low Incomes	247	Location	18
Affordability	225	Suitability	18
Jobs	155	Economy	15
Availability	95	Cost of land	10
Financing/Loans	50	Job Insecurity	9
Down Payment	45	High Prop. Values	5
Out of State Buyers	26	Rich/Retired Buying	4
Property & Other Taxes	25	Population Increase	3

The *Montana Housing Opinion Survey*, a third housing-related survey, consisted of two questionnaires sent to selected professionals in the housing and land use arenas. Surveys were sent to a total of 320 people. Respondents believed that lack of available land is a problem, although there was a difference in perception as to why land is not available. Some cited the fact that their community is surrounded by public land, tribal land, or by private land where owners are unwilling to sell for housing development. Others cited the need to extend city utilities, or the fact that zoning does not provide enough available land, especially for multifamily and mobile home development.

Of the 40 responding communities, 28 stated that they require local building permits for new construction and 23 require permits for remodeling. Twenty communities have been certified to enforce Uniform Building Codes.

IMPEDIMENTS AND OPPORTUNITIES FOR PROVISION OF HOUSING

Current conditions indicate that a lack of incentive for creating affordable home ownership opportunities has persisted, thereby creating an extreme shortage of affordable housing supply. With today's market conditions, there are many barriers to construction of multifamily dwellings. These barriers also impede the creation of affordable rental housing. Economic theory suggests that demand pressures placed on the housing market can be relieved by more supply coming into the marketplace. Market conditions indicate that a significant degree of market demand for affordably priced homes and rental properties remains unmet.

There remains hope, however, as two events have occurred over the last few years that may lead to corrections in the market place. One relates to the Low Income Housing Tax Credit, which was made a permanent part of the federal tax code. This will enable affordable housing to be more attractive to investors, although its results may not be seen for quite some time. Secondly, the

Montana Legislature passed into law a bill giving local jurisdictions the ability to pass tax deed properties[40] into the hands of nonprofit entities. This may lead to the provision of additional affordable housing.

In summary, there appear to be mostly impediments, and few opportunities, to the development of affordable housing in the current housing market.

FAIR HOUSING NON-COMPLIANCE

Impediments to fair housing choice are defined as: *Any actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status or national origin that restrict housing choices or the availability of housing choice, or any actions, omissions or decisions that have this effect.* Equal and free access to residential housing (housing choice) is fundamental to meeting essential need and pursing personal, educational, employment or other goals.

Over the last few years, as the housing market has tightened with rising prices and falling vacancy rates, allegations of ongoing unfair housing practices have become more widespread. The *FY95 Closed Case Statistics in Housing* provided by the Montana Human Rights Commission identified 132 cases. Thirty percent or 38 of these cases were closed by predetermination settlements or withdrawal with benefits settlements. Nineteen percent of the cases resulted in conciliation or conciliation failure where the investigation found reasonable cause to believe that unlawful discrimination occurred. Thirty-seven or 28% of the closed cases had no cause findings. In recent years Montanans have become more aware of laws concerning discrimination and the work of the Montana Human Rights Commission and other organizations regarding enforcement of Fair Housing programs.

The protected classes under federal law are race, color, religion, sex, disability, familial status or national origin. The problems of fair housing discrimination are exacerbated by the income level of a family. In 1994 the State of Montana completed An *Analysis of Impediments to Fair Housing Choice*. The various analyses conducted in the Analysis also "...reveal that households with extremely low and very low income levels, who in fact have the highest need for affordable housing, are more susceptible to encountering unfair housing treatment". Low income families who are members of a protected class were more likely to report being discriminated against than families with higher incomes of a protected class.

E. NON HOUSING COMMUNITY DEVELOPMENT CONDITIONS

Over the years, Montana's public facilities have gone under funded. This has gone hand in hand with increasing federal mandates for more clean water, wastewater treatment, landfills, and other public facility operations. Past studies related to Montana's water systems identified the longer term problems amounting to $360 million. A survey completed in 1995, and discussed later in the plan, identifies needs and cost equivalent at a much larger figure. Other components of Montana's

[40] Tax deed properties are properties which have been sold due to nonpayment of taxes.

infrastructure are also having significant problems, and cannot be overlooked. These include roads, bridges, storm sewers, fire stations, police stations, law enforcement centers, jails, and handicapped accessible public buildings.

Fundamental to the notion of enhancing the public facilities and infrastructure is Montana citizens' financial ability to pay for these system enhancements. Through the discussion of economic status, it was demonstrated that Montana's wages were lower than the national average. When spread across some 457,000 employed persons, the total wage gap is substantial.

F. INSTITUTIONAL STRUCTURE

Most state-administered housing assistance, public facility, and economic development programs are handled by the Montana Department of Commerce (MDOC), primarily within the Local Government Assistance Division and the newly formed Housing Division. In November of 1994, the State Housing Task Force recommended centralization of housing programs within state government to increase coordination and assist in the development of a cohesive state housing policy to guide the operation of all housing programs in Montana. The Department of Commerce formed a Housing Division which includes the Board of Housing and its programs, the Section 8 program and the HOME Investment Partnerships program (HOME). As lead agency, the Housing Division will continue to develop the Consolidated Plan, and manage and coordinate its many related housing programs. The Local Government Assistance Division will continue to manage their CDBG programs for housing and public facilities. The Division will also continue to administer the CDBG Economic Development program. Together the Divisions will continue to promote the interaction and coordination of entities involved in providing the services identified under these programs. The Emergency Shelter Grant Program is administered by the Intergovernmental Human Services Bureau of the Department of Social and Rehabilitation Services.

Many banks, savings and loans, and other financial organizations involved in housing are interested in taking advantage of federally assisted housing improvement programs in order to meet requirements of the Federal Community Reinvestment Act (CRA). Two federally assisted programs are the Montana Community Development Block Grant (CDBG) and HOME programs. Community Housing Development Organizations (CHDOs) and local governments can apply for HOME funds to assist in providing additional affordable housing. Local governments apply for CDBG funds to use for housing projects involving the rehabilitation of homes owned or rented by low- or moderate-income families and other activities to improve the neighborhood in which the housing rehabilitation is taking place. CDBG and HOME funds have played a key role in "leveraging," using program allocations to attract private dollars by creating a pool of funds for rehabilitation and new construction loans at below market interest rates.

MDOC will continue communicating and coordinating activities with other agencies throughout the year. These actions can assist in identifying areas in which further communication and cooperation may be needed, and can help to identify gaps in the institutional provision of services. Actions have included application workshops for CDBG and HOME, information and data dissemination regarding the Community Reinvestment Act, advice to nonprofit entities on how to

become certified as CHDOs, support for other entities in their application processes for funding of various programs, and joint work on evaluation of homeless subpopulations. Emergency Shelter Grant Program will continue to provide grants to the ten regional Human Resource Development Councils for renovation, rehabilitation or operating costs of homeless shelters.

MDOC recognizes that policy and program responsibilities are often fragmented across a variety of agencies and organizational entities throughout both the state and federal governments. The state has been able to collect some data pertaining to the size and needs of nonhomeless persons with special needs. However, much of the information is general in nature. MDOC will be looking to the public and other interested parties for input in the development and specification of goals for serving this in-need population. Furthermore, MDOC supports the prospective participation of individuals representing the interests of the developmentally disabled, persons in correctional institutions, and other nonhomeless persons with special needs.

The Community Reinvestment Act (CRA) has stimulated the involvement of for-profit organizations in the provision of affordable housing. One example of CRA's work is the Community Home Ownership Program of Norwest Bank. Norwest Banks in Montana and Wyoming have allocated funds to be used for home mortgage loans. The loans are available to people in Norwest Bank-designated market areas in Montana for purchasing single-family, owner-occupied residential units. The bank's program provides a low down payment, no discount points, low loan origination fees, and competitive interest rates on home mortgage loans. Loans are available only to families earning no more than 115 percent of the HUD-determined median income for the area, up to $30,000. These benefits help make home ownership possible for some low- and moderate-income Montanans.

1. OVERCOMING GAPS: ASSESSMENT AND ACTIONS

In the past, the institutional structure for carrying out the delivery of housing programs and services was very fragmented. This occasionally led to confusion and unwitting competition between programs and service providers. Guidelines and procedures were sometimes overly complex. This condition created some gaps in the delivery systems. With consolidation of program responsibilities in MDOC, many of the gaps have disappeared. Furthermore, MDOC continues to build its capability as the sole-source information clearinghouse as related to all housing programs and services.[41] This action is designed to further allay confusion and unwitting competition in program and service delivery systems.

There remains a significant gap in the delivery of housing services that may worsen over the five-year period: resources are inadequate to completely address housing needs, as evidenced by the size of the State's Section 8 waiting list. Lowering of Fair Market Rents (FMR) has had a slight effect in decreasing units under lease in the Section 8 program. The FY 96 change to fortieth percentile FMR will have a similar effect. However it is unknown at this time.

[41] All service and program inquiries should be directed to Ms. Connie Onstad , Montana CPS coordinator (406) 444-0092, in Helena.

Regarding the gaps in the delivery of programs and resources, respondents to the *Survey of Montana's Housing Needs* expressed many concerns: HUD guarantees loans that can extend to $75,500, but the average home selling price is $114,603.[42] Homes that are affordable ($70-$80,000) might not meet HUD housing quality guidelines. Non-profit organizations are over-extended in their ability to serve a population that is growing because of newcomers, and the private sector is slow to respond to Montana's housing needs. Programs need to be administered with consistency and simplicity. The general public is not aware of the programs available and those programs lag behind in demand and are too complicated. Some individuals feel program requirements are too time consuming and difficult to understand.

The efficiency of programs is not the only resource that is failing. Transitional housing of any kind is lacking for homeless, HIV infected, handicapped, and drug and alcohol addicts. Most federal programs make it too difficult to apply because of match fund requirements for the project, thus ignoring smaller communities with less money and a smaller population. Programs and resources need to be fully available to all areas and people in Montana.

2. GOVERNMENTAL COORDINATION

Many financial organizations involved in housing are interested in taking advantage of federally assisted housing improvement programs in order to meet the requirements of the Federal Community Reinvestment Act (CRA). The Census and Economic Information Center (CEIC), within MDOC, has been responding to many requests for information pertinent to the CRA and for planning information to aid in the development of housing proposals. Two federal programs allied with the CRA are the CDBG and HOME programs. Community Housing Development Organizations (CHDOs) and local governments can apply for HOME funds to assist in providing affordable housing. Local governments apply for CDBG and HOME funds to use for housing projects involving new construction, rehabilitation of homes owned or rented by low- or moderate-income families, and activities to improve neighborhoods. HOME and CDBG funds have played a key role in "leveraging," using federal dollars to attract private dollars by creating a pool of funds for rehabilitation loans at below market interest rates. MDOC also has been communicating and coordinating activities with other agencies, which assists in the identification of areas in which further communication and cooperation may be needed and helps identify gaps in the institutional provision of services. Activities included application workshops for CDBG and HOME funding, information and data dissemination regarding the CRA, technical assistance workshops and publications, advice to nonprofit agencies and prospective nonprofit entities on how to become certified as CHDOs, support for other entities in their applications for funding,[43] and joint evaluation with SRS of the unsheltered homeless population.

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[42] This figure was supplied by a *Survey of Montana's Housing Needs* respondent, concerning gaps in program and resource delivery.

[43] For example, the Community Development Bureau assisted the City of Kalispell in forming an alliance with the Federal Home Loan Bank of Seattle. The bureau's role was to emphasize the strength that the program had throughout the state and MDOC.

IV. HOUSING, HOMELESS, & NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

A. HOUSING

Earlier in this report, Montana identified an affordable housing shortage in excess of 25,000 units. Such conditions precipitate overcrowding and poor or substandard conditions in both the rental and owner-occupied housing stocks, both of which have also been identified. Together, these underscore the needs for new construction as well as renovation or rehabilitation of existing structures.

To further illustrate the types of housing needs that are precipitating requests for funding, an enumeration of previous program requests of the HOME and CDBG (housing) programs has been tabulated. In Montana, the HOME and CDBG program funds are distributed based on sets of criteria that rank applications within a competitive environment. Since resources are indeed less than the size of the need, applications must compete for funding. Furthermore, while all needs identified are worthwhile, specific project-related issues may make an individual project more or less viable than others. Ranking criteria for each of the programs is revised and updated each year. Specific guidelines for each program are available upon request.

1. SUMMARY OF MONTANA'S HOUSING NEEDS

The lack of affordable housing for very low-, low-, and moderate-income persons has risen in prominence as a national policy issue. The lack of affordable housing across the nation has affected individuals, families, and the elderly, whether homeowners or renters. According to a 1986 report prepared by the National Governor's Association, housing costs are rising faster than income.[44]

Montana has not escaped the influences of the nation's housing problems. An analysis of the number of low-rent units, low-cost homes, and the number of households earning less than $15,000 per year indicates that there may have been a shortage of 25,000 units of affordable housing to those households in 1990. This particularly affects families, who make up almost 70 percent of all Montana's households. Today, the situation is much worse as pressures and constraints on the housing market have spread to affect Montanans of all income categories.

These shortages have driven monthly rental payments and housing costs up sharply in the last few years. This places many people at risk of homelessness and places home ownership out of reach for many Montanans. Even though there is great demand for low-cost housing, there has been little new construction of single-family or multifamily units for low- and moderate-income Montanans.

Rehabilitation of the existing housing stock is also a pressing issue. Many occupied units around the state are in poor condition because their owners cannot afford maintenance costs. Elderly

[44] *Decent and Affordable Housing for All: A Challenge to the States*. National Governor's Association, 1986.

Montanans, who constitute the largest group of homeowners in the state, often lack the resources necessary to maintain their homes. For potential home buyers, units that stand vacant for long periods of time constitute a rehabilitation problem. Often the cost of bringing the units up to a liveable standard is prohibitive. The poor condition of the units can also preclude the use of mortgage insurance programs, without which the units are not easily financed.

There is also a need for modification of existing units to make housing accessible to Montana's physically disabled population, some of whom currently live in units that are not adequately equipped. In addition, energy inefficient units place an unnecessary cost burden on Montana's renters and homeowners. Energy conservation modifications are needed to address the overall issue of affordable housing across the state.

A number of groups in Montana have special needs linked to the provision of affordable housing. For homeless people, the disabled, families headed by single parents, and the elderly, there is a need for supportive services that facilitate independence. Homeless people in Montana, while not as prevalent as in other areas of the country, are finding fewer available units in some local shelters. These facilities are simply not able to meet the need for emergency and transitional housing and other services.

Single parents head 17 percent of Montana's families. Where there is a high rate of single-parent families in public housing facilities (a situation more common to Montana's major cities) the provision of day care and job training services is needed both to facilitate the family's move toward self-sufficiency and to maintain a stable public living environment.

The elderly make up more than 17.5 percent of Montana's adult population and represent the largest group of homeowners in the state. Congregate care housing for this group, which fosters independent living while providing supportive services, is a compelling need.

There were more than 50,000 mobile homes in Montana in 1990. Whereas mobile, manufactured, and modular homes[45] represent an affordable housing alternative for many Montanans, such owners tend to face restrictive or discriminatory zoning laws or practices in many areas, particularly in rapidly growing parts of the state. The challenge to policy makers in Montana is to identify and press for equitable alternatives to current zoning and land-use conditions for low- and moderate-income Montanans.

Montana's economy has suffered along with the national recession. Industrial activities related to the state's resource base have declined, particularly lumber and wood products. Structural changes in the state's economy have compounded the problem. Many of these economic difficulties

[45] Mobile and manufactured homes are detached residential dwelling units fabricated at a factory, not in accordance with the standards of the Uniform Building Code, and designed for transportation on its own chassis to a building site for occupation as a dwelling with or without a permanent foundation. 'Mobile' refers to units built before 1976, 'manufactured' to those built from 1976 on, which conform to the Federal Manufactured Home Construction Safety and Standards. Modular homes are also fabricated in a factory, but are constructed to meet the Uniform Building Code, plumbing, mechanical, and electrical construction codes that apply to site-built homes. MDOC, Local Government Assistance Division, Community and Technical Assistance Program, *A Model Municipal Zoning Ordinance*, December 1994, pg. 9.

will continue. Without proper intervention by housing specialists, the lack of available, affordable, and suitable housing may persist.

There has been a tremendous change in the statewide housing market since the 1990 Census. Vacancy rates have continued to drop dramatically. For example, Glendive had 300 vacancies in 1990, compared to 30 in October 1992. In Sidney, where 75 rental homes were converted to owner-occupied units, purchase demand for single-family homes has virtually eliminated one-year leases for rentals. Missoula's rental vacancy rate has hovered near zero since April 1992. In Miles City, low-rent units are rented as soon as they hit the market. Compared to other states, Montana's housing was fairly affordable in past years. This is no longer the case across much of the state, especially in the more urbanized areas.

Montana's limited resources are not adequate to address *all* the housing requirements of low- and moderate-income households, elderly Montanans, people with special needs, and other in-need populations. The Montana Department of Commerce (MDOC) and the people of the state share in the task of exploring creative approaches to expanding the supply of housing. Together, Montanans must move forward in securing and applying federal, state, and private resources to solve the state's housing problems.

The Survey of Montana's Housing Needs, conducted during FY 1993, indicated several distinct problems and a variety of options for overcoming deficiencies in the provision of affordable housing. These findings can be summarized as a critical shortage of rental housing and a severe shortage of owner-occupied homes. All income groups are adversely affected, with low-income persons being placed in the most compromising circumstances. In-needs groups are scattered statewide, but the elderly and handicapped have the highest incidence of need. There tends to be a high level of unsuitable homes and rental property as perceived by the public.[46] In addition, both rental housing and owner occupied homes are not very accessible for Montana disabled citizens. Further, the in-need groups are specifically the homeless, the elderly, and the mentally or physically disabled. Since the incidence of AIDS/HIV infection is relatively low in Montana, the public perceives little need for this type of housing and housing-related services. However, within local jurisdictions, these needs can contrast sharply. Also, rental and home prices are increasing significantly, with building and zoning practices affecting housing availability in areas with faster growing populations and active subdivision and zoning activities.

Few opportunities exist today for increasing the provision of affordable housing, but many barriers exist. These barriers include land prices, material costs, population migration, and zoning regulations. Service gaps exist. These relate to programs that provide additional support to the in-need groups. These service gaps can be partially addressed through current delivery systems, but most sources are under-funded.

The *Montana Housing Opinion Survey* also conducted in 1993, confirmed the previous survey analysis. Rental housing is critically short throughout the state, and owner-occupied homes

[46] In general, Montana citizens take a more critical view of suitability than the CPS definitions.

are not affordable. Furthermore, developers are largely uninterested in providing low-cost housing, whether for rent or purchase. Respondents indicated similar causes for the high cost of housing, such as building materials and land costs. Other indicators contributing to the lack of affordability are related to low paying jobs, an inability to meet credit requirements, and an inability to save for down payment and closing costs. The survey respondents indicated that prospective solutions relate to low cost financing, rent and home subsidies, and assistance to builders and home buyers.

The *1993 Montana Housing Survey*, through the canvassing of randomly selected citizens, revealed findings similar to the above two needs assessment results. There are critical shortages of rental housing, and severe shortages of affordably priced homes. There are significant needs for program support for the creation of low-cost rentals and affordably priced homes. Even Montana's Section 8 waiting list concurs with the above, as over 6,000 are now on the list, which is expected to rise to about 10,000 over the course of the next few years.

2. ESTIMATES OF HOUSING NEED BY INCOME

VERY LOW INCOME

There are nearly 40,000 households throughout the state that are considered very low-income renters; another 75,000 households are very low-income homeowners. The two income groups, comprising about 115,000 households, make less than 50 percent of the state's median family income, or less than $14,000 per year. Of the low-income renters, nearly 10,000 are elderly one- and two-member households, over 13,000 more are small related households, and another 3,300 are large related households. Of homeowners, 17,150 are elderly. The majority of these groups have housing problems. Adequate housing suitable for habitation is not affordable for this group.

OTHER LOW INCOME

For the other low-income household category, those having incomes between $14,000 and about $22,500 per year, fewer households can be categorized. There are about 21,250 renter households and 56,000 owner-occupied households that can be considered other low income. Of the renters, 3,400 are elderly and nearly 2,000 are large families. Of the homeowners, 14,000 are elderly. This group is also having difficultly locating affordable housing that is suitable for habitation, due to shortages and high prices in the market.

MODERATELY LOW INCOME

There are about 8,400 renter households with incomes 81 to 95 percent of the state's median family income, between $22,500 and $25,640 per year. Of these, 904 are elderly and 784 are large families. However, 27,033 of Montana's households fit the moderate income classification and are homeowners. Twenty-five percent of the large family renter households are experiencing housing problems; and 25 percent of those in the "all other owners" classification are experiencing housing problems. Again, these problems center on availability and affordability.

SUMMARY

Of the 306,919 households in Montana, 45 percent of large family renters were having housing difficulties, according to the 1990 Census. Of the elderly homeowners, 66 percent were having some form of housing difficulty. Overall, 75 percent of all Montana's households make less income than the national average median family income of about $36,000.

3. POPULATIONS WITH SPECIAL NEEDS -- OTHER THAN HOMELESS

As households make less money, their likelihood of being homeless increases. Hence, the very low-income households are particularly vulnerable to increases in the unemployment rates, economic fluctuation and slowdown, and public policy issues. Montana views this group of people in need of financial and personal counseling, job training (or retraining) and short term emergency services and supplies, such as food, and relief from energy or other utility costs.

NEED FOR SUPPORTIVE HOUSING

Mental illness is a pervasive, disabling disease that affects a significant number of individuals. In October, 1995 the Department of Mental Health and Human Services conducted a survey[47] of the five regional mental health centers (MHC's) to determine the number of clients served by each region, as well as the number of beds or permanent rental units specifically set aside for persons with severe and disabling mental illness.

The MHC's collectively served 11,655 unduplicated clients in FY 1995. Of those, 4,031 are known to have severe and disabling mental illness. The survey results showed 44 permanent rental housing beds set aside for the mentally ill. Group homes offer an additional 59 beds, yet it is important to note that group homes provide 24 hours care and are considered transitional housing. There are six homes currently under construction that will offer an opportunity for homeownership for the mentally ill. In addition to those individuals served by the Regional Mental Health Centers, there is an uncounted number of homeless mentally ill or those families and individuals served by the private sector.

The Montana Public Mental Health System Plan identifies housing for the mentally ill as one of the strategy areas with the goal of encouraging the provision of supportive services in the "least restrictive, most natural and least disruptive setting possible." The mentally ill are constantly at risk of homelessness. Housing for those with special needs continues to worsen. Those with mental illness, are often left without meaningful choices to find safe, decent and affordable housing.

In January 1994, the Mental Health Division and the Mental Health Planning and Advisory Council coordinated a survey[48] to identify the most important issues in providing services to people

[47] The survey was supplied by Rusty Redfield, Department of Public Health and Human Services and is available upon request.

[48] Survey results are available upon request form the Department of Public Health and Human Services.

with severe mental illness. Survey results identified housing development as the most important issue. The Council also identified housing as the number one issue, verifying the results of the survey.

Montana's Older Americans Act (1987) reaffirms the State's commitment to its older citizens. The act describes older Montanans as a valuable resource that it is not receiving sufficient services in all areas of the state. The act identifies the services needed by the State's elderly population, and plans are laid out for the following:

- develop appropriate programs;
- coordinate and integrate all levels of service;
- create a directory of available services and transportation to them;
- programs to facilitate self-care;
- physical and mental health care;
- legal programs;
- adult education, and
- research in aging.

The facilitator of elderly assistance is the Aging Services Unit of the Montana Department of Family Services. The office is responsible for developing and administering the state's plan on aging, develop an intrastate funding formula, representing the interests of the elderly in state legislative and regulatory bodies, and evaluating Area Agency on Aging activities.

While there are other segments of the in-need populations, such as the AIDS/HIV infected persons or those with alcohol or other drug dependence problems, and the State plans to distribute funds to these groups, funding levels are in line with the relative size and severity of the problems in Montana.

While the state has about 140,000 persons over the age of 60, about 12,993 of these persons require assistance, in some form, for housing. Of those, 3,267 are estimated to be frail elderly.

B. HOMELESSNESS IN MONTANA

1. SHELTERED AND UNSHELTERED HOMELESS

A study conducted for the Department of Social and Rehabilitation Services (SRS)[49] identifies two types of homeless: the *old homeless* and the *new homeless*. The old homeless are what most people think of when discussing the homeless. They are "typically white, unmarried males, around 50 years of age, who suffer from alcoholism and who are intermittently employed."[50] The second type identified by the study is the new homeless. Those are younger, include more women and families, and are more racially and ethnically diverse.

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[49] *The Sheltered Homeless Population of Montana*, 1993.

[50] *Ibid.*

In the FY 1994-98 CHAS Five-Year Plan, homelessness was identified as a challenge that is being addressed in Montana's housing strategies. Yet the homeless population includes both a sheltered and unsheltered population. While the sheltered population might be more visible and available for studying, the unsheltered populations are more difficult to trace and research, a notion stressed in the SRS study and born out in the low numbers counted in the Census for Montana and other studies. Overall, the data offered on unsheltered populations in Montana has been relatively scarce. One way to deal with this difficulty is to draw some inferential conclusions based on data available on the sheltered homeless population. This is done below with the SRS study. However, a more accurate portrait of the unsheltered homeless population was provided through the SRS' 1994 Unsheltered Homeless Survey, the preliminary results of which appear below.

SHELTERED HOMELESS POPULATION

The SRS study examined the sheltered homeless population in the state of Montana on two different nights: December 2, 1992, and January 26, 1993. Moreover, the study utilized a survey of shelter directors and a voluntary questionnaire of those seeking emergency shelter. The study concluded that approximately 502 homeless sought shelter each day during December and January. The December count found 548 people, and the January count included 461. On each night, 16 people requesting shelter were turned away: two at the emergency shelters and 14 at the runaway youth shelter. Shelters turned people away due to lack of space or because of age and behavioral problems.

The study also found that the homeless population consisted of 61 percent males and 49 percent females. Persons under the age of 19 made up 43 percent of total homeless population, with a majority of those under age 9. The mean age of the homeless population in Montana was 26. Native Americans, the second largest racial group in Montana, were disproportionately represented in the studied homeless population. While they constitute 24 percent of the sheltered homeless population, they make up only 6 percent of the total statewide population. Finally, the study presented the reasons for homelessness as cited by shelter directors and the clients of the emergency shelters. According to shelter directors, domestic violence, lack of job skills, and substance abuse were the leading reasons. According to clients of the emergency shelters, unemployment, moving to seek work, mental problems, and family breakup were the leading causes of their homelessness.

The SRS study targeted 17 emergency shelters, seven domestic violence shelters, eight runaway youth shelters, and eight voucher systems. Few of the shelters were in northeastern Montana, and none in the southeast. Most surveyed shelters were located in urbanized areas (six in Billings, five in Missoula, and five in Bozeman). A majority of homeless people (352) were served by emergency shelters, while 70 stayed in domestic violence shelters, 41 stayed in runaway youth shelters, and 23 utilized the shelter voucher system.

The mean age of the homeless population in Montana was 26. Individuals under the age of 19 made up 43 percent of the total sheltered homeless population, with a majority of that group under age 9. The study found that the homeless population consisted of 61 percent males and 39 percent females. Females made up a majority only in domestic violence shelters, with 67 percent (47 of 70

people). Adults between the ages of 20 and 49 represented 48 percent of the sheltered homeless population, most in their 30s. Only 9 percent of the homeless were over age 50.

Native Americans were disproportionately represented in the studied homeless population. They constituted 24 percent of the sheltered homeless population in this study, yet they make up only 6 percent of the total statewide population. Whites represented 72 percent of persons in these shelter facilities.

Additional information about the homeless in Montana was collected through two questionnaires: the first was distributed to directors, and asked their opinion of the make-up and needs of their patrons; the second was offered only to emergency shelter clients, who completed the survey on a voluntary basis. According to the shelter directors, the average length of stay at a shelter ranged from 8 to 20 days; clients stayed longest at domestic violence shelters, ranging from 20 to 37 days. Those using vouchers typically remained only 1 to 5 days.

Shelter directors indicated that the major reasons for an individual's or family's homelessness varied. Sometimes several factors conspired to force the person or household into homelessness. Table 1, below, presents the shelter directors' opinions of the percent of their clients citing the following major reasons for their homelessness.

TABLE 1

DIRECTORS' ESTIMATES OF REASONS FOR HOMELESSNESS[51]

PERCENT OF CLIENTS HAVING FOLLOWING REASONS

		DIRECTOR'S OPINIONS BY TYPE OF SHELTER			
REASON CLIENT SEEKING SHELTER	ALL RESPONDENTS	EMERGENCY SHELTER	DOMESTIC VIOLENCE	RUNAWAY YOUTH	VOUCHER SYSTEM[52]
Domestic Violence	34%	23%	100%	33%	3%
Lack of Job Skills	27%	33%	0%	2%	54%
Substance Abuse	23%	32%	13%	5%	26%
Can't Find Affordable Housing	20%	34%	10%	0%	13%
Deinstitutionalization	7%	11%	0%	4%	6%
Runaway Youth	6%	2%	0%	29%	0%
Public Assistance Problems	6%	13%	0%	0%	1%
Other	14%	8%	0%	24%	26%

Domestic violence was most commonly cited by shelter directors as the reason for homelessness, but job skills, substance abuse, and affordable housing followed closely. Respondents cited deinstitutionalization, public assistance, problems, other difficulties, and runaway youth less frequently as the reason for their homelessness. Note, however, that some shelters do not take in runaway youth.

Homeless adults were most likely to identify economic-related reasons, such as unemployment or moved to seek work, as the cause of their homelessness. Unemployment in the homeless

[51] Percentages may not add to 100 percent due to reasons for homelessness; multiple responses were allowed in the survey.

[52] Includes facilities offering food, clothing, and other basic necessities but do not operate a shelter of their own. Rather, they administer vouchers to homeless people so they can receive shelter at places such as local motels.

questionnaire translates to 'job skills' in the shelter director survey. Substance abuse was rated as a less frequent cause of homelessness by this type of respondent, while domestic violence was rated lowest by shelter clients. The difference between the two tables can be attributed in part to the limitation of the shelter client survey; i.e., it was available only to clients of emergency shelters and was completed on a voluntary basis. Montana's homeless are primarily in need of support services related to long-term job training and counseling. Shelter directors also cited transitional housing, permanent housing, and employment as in great need. The immediate needs of the homeless relate to affordably priced permanent housing, medical health services, food, and clothing.

According to shelter directors, emergency shelter (94 percent), food (91 percent), mental health (88 percent), medical health services (85 percent), clothing (85 percent), and help for substance abuse (85 percent) typically were requested by and available to. Education (79 percent), job training (76 percent), and disability services (61 percent) were listed by respondents as moderately available. But sufficient funding to fully respond to client needs is not available at all facilities.

In the *Survey of Montana's Housing Needs*, respondents were asked to review and rate the degree of need by various types of in-need groups. The results of this question indicate that, given the incidence of certain types of in-need groups, certain needs appear more critical in some areas than others. As indicated in the table below, the degree of need for the elderly and mentally or physically disabled is rated more urgent that those of the AIDS/HIV infected, the alcohol or drug addicted, or specific racial minorities. No clear opinion emerged regarding the degree of housing need for the homeless.

UNSHELTERED HOMELESS POPULATION

The data contained within the SRS study pertains specifically to the sheltered homeless population, but analyzing it in further detail reveals some useful insights about the unsheltered homeless population.

The SRS study asked questions about the respondents prior stay. It was found that 40 percent of the homeless lived within county limits, 41 percent came from out-of-county, and 24 percent were from other states. Emergency shelters reported high percentages of out-of-state populations; domestic violence shelters reported mostly state residents. Homeless persons from out of state might contribute more to the unsheltered homeless population due to their lack of knowledge of available services.

The SRS study also asked questions about average length of stay at the shelter and also the length of time without a permanent residence. It revealed that parents with children tended to stay the longest; single adults, especially males, tended to stay the shortest amount of time. Building on this finding it could be inferred that the unsheltered homeless population will tend to have more males. The second part of this finding relates to the length of being homeless. It points out that about 38 percent of the respondents reported that they had been homeless from nine months to a lifetime, while 67 percent reported they had been homeless for less than nine months. What could be inferred from this is that long-term homeless populations might face the greatest possibility of being unsheltered more often and for longer periods of time. Overall, the homeless population who

went without shelter, as reported in the SRS data, tended to be young males with higher levels of behavioral, emotional, and mental problems. They were the group most often refused shelter space, often because of these problems. In Montana, the number of unsheltered homeless also varies directly with weather conditions. While these influences are *not* highly conclusive (nor statistically reliable), they do provide for some initial discussions of Montana's unsheltered homeless.

Lastly, the major difficulty in assisting unsheltered populations is to be able to reach them; this requires a clear identification of their locations, and it requires an understanding, on the part of the homeless, of where to turn for help.

1994 UNSHELTERED HOMELESS SURVEY

During calendar year 1994, the Family Assistance Division of the SRS conducted a survey of unsheltered homeless individuals in Montana to better define rural homelessness and enhance the State's understanding of unsheltered homeless. The objectives of the survey were to conduct interviews with unsheltered homeless persons, analyze their situation and needs, and report findings to the SRS for planning and HUD compliance reporting. The goal of the survey was to enhance capabilities in forming policies and plans for assisting the unsheltered homeless.

In order to conduct an effective survey, a target population had to be defined. To filter out those homeless persons who were sheltered, the first survey question was where the individual had stayed the night before. If the answer was "in a shelter," the surveyors did not continue the interview. If the respondent did not stay in a shelter the prior night, the surveyor proceeded with the questionnaire. A "homeless" individual was defined as someone who did not have a permanent place to live. This included individuals who were living in a home of a friend or relative on a temporary basis as well as those people who were living on the streets.

Counting and interviewing an unsheltered homeless population is not an easy task. This is a group of people who, generally, do not stay in one place and have no permanent addresses where they can be contacted. The major concerns with conducting a survey of this type and gathering accurate data include duplicating people (over-counting) and under-representing (under-counting) the population. These concerns were taken into consideration when formulating the survey plan.

Volunteers conduct surveys in six different areas of the state: Billings, Glendive, Havre, Helena, Lewistown, and Missoula. Five of the surveys were conducted between August 22, 1994, and September 9, 1994. The other group (Helena) was done on October 10, 1994, through October 14, 1994. The short time-span allows some certainty that few if any people would be counted in two different cities, as there was not enough time for the individuals to migrate from one place to the next and be surveyed twice. In addition, a survey question requested identifiable characteristics of the respondent to make certain that duplicate individuals in the same town would not be counted. Surveyors asked for the name (or initials) and age of the respondent, wrote down the sex of the respondent, and wrote down the location of the interview. Another factor that helped assure no duplication was that the groups surveyed in the particular towns were often quite small, and the interviewer almost always conducted all of the interviews in that town, which would make it easy for the them to keep track of who had already responded to the survey. After all of the data had been

gathered for analysis, the factors listed above were checked for any duplication that might have occurred. No duplications were found.

The second main concern with this survey was making sure that the surveyors contacted everyone possible in order to have an accurate representation of the population. Options for conducting the surveys were to have service providers such as soup kitchens or food banks conduct surveys on the unsheltered homeless who come on site for services or going out in search of the unsheltered homeless people wherever they might be. The second option was selected in order to protect against under-representation of the unsheltered population. If the interviews were limited to those individuals who use services, the group of people who do not use services would have been missed. The surveyors targeted locations that are typical places for unsheltered homeless individuals to be, such as parks, campgrounds, streets, freeway underpasses, and lines outside of food banks.

At the conclusion of the survey, a total of 81 responses had been collected, the analysis of which follows. If any inaccuracy could be attributed to the survey's final count, it would have to be that the number is lower than the actual unsheltered homeless population in Montana. One of the factors that could have contributed to this potential misrepresentation is that some of the surveys were conducted at the beginning of the month, coinciding with some homeless persons receiving welfare or SSI checks, which, in turn, means that there could have been individuals who were out of reach of the surveyors because they could have been elsewhere spending their money. Another consideration is that when winter and colder weather approaches, many unsheltered homeless migrate to a warmer climate. This would likely be occurring in September and October, and could be the cause of a smaller number of respondents than if the surveys had been done in July, for example.

Various information was gathered in the 81 surveys. Eighty-four percent of the respondents were male and approximately 16 percent were female, as seen below in Table 2, below. Montana's unsheltered homeless population is mainly Caucasian. Of the total, 55 respondents were white, 18 were Native Americans, three were black, one was Asian, one was 'Other,' and three were unknown, as seen in Table 3, on the following page. The respondents represented all age groups. The youngest respondents were a 16 year old female, and a 19 year old male. There were 18 people in their 20s, 28 in their 30s, and 23 in their 40s. Seven respondents were over the age of 50; some of these people were not sure of their ages. One man gave two choices: 59 or 63.

TABLE 2
1994 UNSHELTERED HOMELESS SURVEY
SEX OF RESPONDENTS

SEX	FREQUENCY	VALID PERCENT
Male	65	84.4
Female	12	15.6
Missing Data	4	MISSING
TOTAL	81	100.0

TABLE 3
1994 UNSHELTERED HOMELESS SURVEY
RACE OF RESPONDENTS

RACE	FREQUENCY	VALID PERCENT
Asian	1	1.3
Black	3	3.8
Native American	18	23.1
White	55	70.5
Other	1	1.3
Missing Data	3	MISSING
TOTAL	81	100.0

Out of those respondents answering the question regarding their marital status, approximately 48 percent were single. The next largest group were those individuals who were divorced, with approximately 26 percent. Separated individuals followed with approximately 17 percent, and about 9 percent of respondents were married, as seen in Table 4. A majority of those surveyed, 59 percent, have never had children, and there were 14 people who reported having at least one child with them at the present time (see Tables 5 and 6).

TABLE 4
1994 UNSHELTERED HOMELESS SURVEY
WHAT IS YOUR CURRENT MARITAL STATUS?

RESPONSE	FREQUENCY	VALID PERCENT
Married	5	8.5
Separated	10	16.9
Single	28	47.5
Divorced	15	25.4
Other	1	1.7
Missing Data	22	MISSING
TOTAL	81	100.0

TABLE 5
1994 UNSHELTERED HOMELESS SURVEY
HAVE YOU HAD ANY CHILDREN?

RESPONSE	FREQUENCY	VALID PERCENT
Yes	32	41.0
No	46	59.0
Missing Data	3	MISSING
TOTAL	81	100.0

TABLE 6
1994 UNSHELTERED HOMELESS SURVEY
IF YOU HAVE CHILDREN, HOW MANY ARE WITH YOU NOW?

RESPONSE	FREQUENCY	VALID PERCENT
One	6	42.9
Two	4	28.5
Three	2	14.3
Five	2	14.3
Missing Data/no children	67	N/A
TOTAL	81	100.0

Approximately 1/3 of the homeless surveyed are veterans of the United States military. As might be expected, the homeless are not a group of people who have college degrees. Approximately 41 percent of the respondents have not completed high school, and about 43 percent of them reported having high school diplomas or GEDs as their highest degrees of education. Close to 13 percent have gone on for additional education -- having some college or vo-tech schooling, as seen in Table 7, below.

TABLE 7
1994 UNSHELTERED HOMELESS SURVEY
HOW MUCH SCHOOLING HAVE YOU HAD?

RESPONSE	FREQUENCY	VALID PERCENT
Have not completed high school	24	41.4
Completed high school or GED diploma	25	43.1
Some college or vo-tech	8	13.8
Other	1	1.7
Missing Data	23	MISSING
TOTAL	81	100.0

It is interesting to note that only 1/3 of the respondents are native to the state of Montana and have been here for most of their whole life, as seen in Table 8. The non-natives came from 20 different states, Canada, and Germany. When asked how long they have been in Montana, approximately 50 percent of the non-natives replied that it had been less than a year -- 20 people reported that they had been here for one month or less. Many people came to Montana in search of employment or to be with family and friends, others said that Montana seemed like a nice, peaceful, safe place to be, others said that they are just passing through or are stranded here, as seen in Table 9. An overwhelming majority of respondents (87 percent) would stay in the town where they were surveyed if they found a job there, and 80 percent would stay if they found a place to live.

TABLE 8
1994 UNSHELTERED HOMELESS SURVEY
ARE YOU FROM MONTANA?

RESPONSE	FREQUENCY	VALID PERCENT
Yes	25	31.6
No	54	68.4
Missing Data	2	MISSING
TOTAL	81	100.0

TABLE 9
1994 UNSHELTERED HOMELESS SURVEY
IF NOT FROM MONTANA, WHAT BROUGHT YOU HERE?

RESPONSE	FREQUENCY	VALID PERCENT
Got a Job Here	2	4.8
Looking for a Job	20	47.6
Stranded Here	1	2.4
Family/Friends	4	9.5
Just Passing Through	3	7.1
Looked like a Good Place in a Movie/Magazine/TV/etc.	1	2.4
Other	11	26.2
Missing Data/from Montana	39	N/A
TOTAL	81	100.0

Not surprisingly, most (94 percent) of the unsheltered homeless surveyed were unemployed. Many of the unemployed had been unemployed for less than one year. Most seemed willing to work, and wished they had a job. Only five respondents had jobs (fast food restaurant, seasonal harvesting, odd jobs, etc.) Other sources of income for the respondents were Social Security (8), food stamps (39), unemployment comp (1), AFDC (4), other (begging, collecting cans, etc.), 16. There were 46 people who would tell the surveyors what their monthly income was.

A few respondents attributed their homelessness to drinking or drug use problems even though this was not asked as a specific question. Several respondents refused to answer the alcohol and drug questions and said, "its none of your business!" Of those that did answer, almost half said that they do not drink, and about 80 percent denied any drug use, as seen in Tables 10 and 11.

TABLE 10
1994 UNSHELTERED HOMELESS SURVEY
DO YOU DRINK ALCOHOL?

RESPONSE	FREQUENCY	VALID PERCENT
Yes	31	56.4
No	24	43.6
Missing Data	26	MISSING
TOTAL	81	100.0

TABLE 11
1994 UNSHELTERED HOMELESS SURVEY
DO YOU USE DRUGS THAT ARE CONSIDERED ILLEGAL?

RESPONSE	FREQUENCY	VALID PERCENT
Yes	11	20.4
No	43	79.6
Missing Data	27	MISSING
TOTAL	81	100.0

There were 11 people who said that they have more than five drinks each day, 11 people who have two to five drinks each day, and six people who have one drink each day. Eleven people admitted to using drugs -- most of these respondents used marijuana when they could get it. One person said that he used marijuana, cocaine, LSD, and/or heroin a couple of times each week.

TABLE 12
1994 UNSHELTERED HOMELESS SURVEY
IF YOU DO DRINK ALCOHOL, HOW OFTEN DO YOU DRINK?

RESPONSE	FREQUENCY	VALID PERCENT
One Drink/Day	6	21.4
Two to Five Drinks/Day	11	39.3
More Than Five Drinks/Day	11	39.3
Missing Data/Don't Drink	53	N/A
TOTAL	81	100.0

TABLE 13
1994 UNSHELTERED HOMELESS SURVEY
IF YOU USE DRUGS, WHICH DRUGS DO YOU USE?

RESPONSE	FREQUENCY	VALID PERCENT
Marijuana	8	80.0
Marijuana and Cocaine	1	10.0
Marijuana, Cocaine, Heroin, and LSD	1	10.0
Missing Data/Don't Use Drugs	71	N/A
TOTAL	81	100.0

Among the responses of unmet needs were: clothing, education, food, transportation, housing/help finding housing, jobs/job training, availability of an employment office, and medical care (including dental care, medicine, and eyeglasses). Four respondents mentioned drug/alcohol counseling, and two mentioned mental health counseling. Five people expressed a need for vocational rehabilitation or physical therapy. Three respondents needed day care for their children. Only six respondents said that they have no needs that are not being met.

TABLE 14
1994 UNSHELTERED HOMELESS SURVEY
IN ADDITION TO SERVICES YOU ARE GETTING NOW, WHAT ELSE DO YOU NEED?
(81 Respondents with 3 responses each)

RESPONSE	FREQUENCY
Clothing	39
Day Care	3
Disabled Services (Vocational Rehab/Physical Therapy)	5
Drug/Alcohol Abuse Counseling	4
Education	20
Employment Office	10
Food	20
Job Training	17
Medical Care	25
Mental Health Counseling	2
Transportation	7
Other	28
Missing Data	63
TOTAL RESPONSES (81 X 3)	243

Only about half of the respondents said that they had seen a doctor within the last three years. Most of those doctor visits were for sicknesses or physical ailments, few people went for depression or other mental health problems. A little over half of respondents had been tested for HIV, no respondents reported that their results were positive. Some who were tested did not know results.

TABLE 15
1994 UNSHELTERED HOMELESS SURVEY
HAVE YOU SEEN A DOCTOR WITHIN THE LAST THREE YEARS?

RESPONSE	FREQUENCY	VALID PERCENT
Yes	34	47.9
No	37	52.1
Missing Data	10	MISSING
TOTAL	81	100.0

TABLE 16
1994 UNSHELTERED HOMELESS SURVEY
IF YOU HAVE SEEN A DOCTOR WITHIN THREE YEARS, WHY?

RESPONSE	FREQUENCY	VALID PERCENT
Physical Ailment	18	69.2
Depression/Other Mental Ailment	4	15.4
Other	4	15.4
Missing Data	55	MISSING
TOTAL	81	100.0

Because this survey was of unsheltered homeless people, by definition none of those people surveyed had spent the previous night in a shelter. The majority of respondents had stayed outdoors or in a tent outdoors. The next locale with a high response rate, approximately 23 percent, was in a car/van/truck/RV. Other responses were in empty buildings or with family or friends. Only about 28 percent of respondents reported that they occasionally stay overnight in a shelter. This means that over 2/3 of this unsheltered homeless population are not using shelter facilities at all. The reasons given for using the shelters were warmth, showers, meals, and beds. Among the reasons given for not using shelters were cannot locate a shelter, lack of privacy there, too crowded, feel unsafe there, too many regulations, used up allotted number of days to stay there, feel "closed in" there, they are unclean, and that there are too many sick people there.

TABLE 17
1994 UNSHELTERED HOMELESS SURVEY
WHY DON'T YOU STAY OVERNIGHT IN A SHELTER?
(81 RESPONDENTS WITH 3 RESPONSES EACH)

RESPONSE	FREQUENCY
Too Crowded	8
Feel "Closed In"	7
Feels "Unsafe"	7
Too Many Regulations	11
Lack of Privacy	11
Refused Admission	1
Exceeded Allotted Number of Days	1
Cannot Locate Shelter	16
Cigarette Smoke	1
Can Take Care of Myself/Don't Need Help	2
Got Turned Away	3
Too Noisy	1
Other	10
Missing Data	164
TOTAL RESPONSES (81 x 3)	243

All respondents were asked whether they had ever been turned away from a shelter for any reason. Approximately 63 respondents said that they had never been turned away when seeking to use a shelter facility, as seen in Table 18. Those who had been turned away reported various reasons, such as having already used up their allotted number of days, drinking or drug use, lack of room, not following regulations, and fighting with others, as shown in Table 19. The most often cited food sources for the unsheltered homeless were churches, soup kitchens, food banks, fast food, food bought with food stamps, and dumpsters.

TABLE 18
1994 UNSHELTERED HOMELESS SURVEY
HAVE YOU EVER BEEN TURNED AWAY FROM ANY SHELTERS IN MONTANA?

RESPONSE	FREQUENCY	VALID PERCENT
Yes	22	37.3
No	37	62.7
Missing Data	22	MISSING
TOTAL	81	100.0

TABLE 19
1994 UNSHELTERED HOMELESS SURVEY
WHY WERE YOU TURNED AWAY FROM A SHELTER(S)?

RESPONSE	FREQUENCY	VALID PERCENT
Drinking/Drug Use	6	27.3
Fighting With Others	1	4.6
Lack of Room for You	3	13.6
Didn't Follow Regulations	3	13.6
Used Up Allowed Number of Days	7	31.8
Other	2	9.1
Missing data/Not Turned Away	59	N/A
TOTAL	81	100.0

When it comes to travel and transportation, close to 62 percent of those surveyed reported that they have no transportation at the current time. Almost 2/3 of the respondents said that they move to another state during the winter months. Those who do not move reported that they stay with family or friends or look for some other place to stay in Montana. During the summer months it seems that about 3/4 of those surveyed travel around the state of Montana, and 70 percent of that travel was job-related -- for job searching or seasonal employment purposes. About half of the respondents report that they travel out-of-state during the summer, and again a large percentage of respondents listed the reason for this travel as job-related.

2. HOMELESS POPULATIONS AND SUBPOPULATIONS

In accordance with HUD requirements and requests, the following CPS Table 1 presents a count of the homeless population. Sheltered homeless are from the HUD CHAS Databook and the SRS Sheltered Homeless Study. Unsheltered homeless counts are drawn from the preliminary analysis of the 1994 Unsheltered Homeless Survey.

CPS TABLE 1
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HOMELESS POPULATIONS AND SUBPOPULATIONS

	TOTAL #		
Part 1: HOMELESS POPULATION	**Sheltered Homeless (a+c+d)**	**Homeless Unsheltered (a)**	**Total**
FAMILIES with CHILDREN			
1. Number Homeless Families			
2. Number Persons in Homeless Families	229		
INDIVIDUALS not in FAMILIES			
3. YOUTH (17 years or Younger)	33		
4. ADULTS (18 + years of Age)	224		
TOTAL (lines 2 + 3 + 4)	486	81	567

Part 2: SUBPOPULATIONS	**% of Total**	**% of Total**
HOMELESS Persons with Service Needs Related To:	**12**	**8**
1. Severe Mental Illness (SMI) Only	21	34
2. Alcohol/Other Drug Abuse Only	8	13
3. SMI and Alcohol/Other Drug Abuse	14	0
4. Domestic Violence	8	3
5. AIDS/Related Diseases	5	5
6. Other (specify)		

Special Needs (Non-homeless)	Persons in Need of Supportive Housing
1. Elderly	12,933
2. Frail Elderly	3,267
3. Severe Mental Illness	NA
4. Developmentally Disabled	1,067
5. Physically Disabled	NA
6. Persons w Alcohol/Other Drug Addiction	497
7. Persons with HIV/AIDS	15 (estimate)
8. Other (specify)	

3. ANTI-POVERTY STRATEGY

The main thrust of Montana's anti-poverty activities included establishment of a task force to reform the state's welfare system. Executive Order 12-93 created the Governor's Welfare Reform Advisory Council. The advisory council examined the design and operation of public assistance

programs to identify the circumstances that result in people living in poverty and needing welfare assistance. They explored alternatives to current programs through an in-depth review of welfare theories and national reform efforts, and developed a comprehensive reform proposal to meet the basic needs of recipients and provide resources necessary to maximize each recipient's opportunity to achieve independence. The proposal took the form of the Montana Department of Social and Rehabilitation Services' *Achieving Independence for Montanans Waiver Request*, completed in April 1994. The waiver request mapped out a path for cost-neutral welfare reform. The initiative, Achieving Independence for Montanans (AIM), includes the following:

- Establishing a Job Supplement Program to divert as many individuals and families as possible from AFDC;
- Replacing AFDC with a time-limited Pathways program;
- Requiring Community Service work for adults; and
- Changing the culture of the welfare office from one that emphasizes benefit issuance, to one that values the attainment of participant self-sufficiency.

The reforms are intended to divert Montanans at risk of becoming dependent on welfare and to encourage participants to become self-sufficient.

The next steps for AIM are to evaluate various portions of the initiative. Three types of evaluation are proposed: a process evaluation, impact evaluation, and benefit-cost evaluation. The process evaluation will document the way Montana's welfare reform policy was formulated and implemented. The results of this evaluation will be collected in a process evaluation report and "management letter" recommending actions to assure a more appropriate implementation. The impact evaluation will describe the anticipated and unanticipated effects of welfare reform. Lastly, the benefit-cost evaluation will use a cost model to document the financial costs and benefits of the reform and to calculate the cost neutrality.

The project, now called Families Achieving Independence in Montana (FAIM) will begin February, 1996 in eight counties. Activation of the project will continue in five phases.

4. HOMELESS SERVICES

Breaking the long-term cycle of homelessness, tempered by short-term shelter, cannot be accomplished by building more shelters or facilities alone. Real help is enabling the homeless to rely on themselves. Besides a lack of shelter, homelessness involves a variety of unmet physical, economic, and social needs. A comprehensive, coordinated system of homeless assistance, is comprised of a wide array of services, tools, and opportunities for the homeless. Homeless services will include a prevention strategy and help the homeless in stages--to take them from an emergency shelter to permanent housing.

The first stage involves emergency shelters. Here the homeless are provided with immediate shelter and assessed in order to identify an individual's or family's needs. The second stage offers transitional housing and necessary social services. Included in these services are mental health and substance abuse counseling, vocational rehabilitation, education, family support, child care, independent living skills training, job training and placement, and employment opportunities where the homeless can both acquire and put to use new work skills. The final stage is permanent housing

or permanent supportive housing arrangements. While all three stages may not be needed by everyone, the community will have them available as part of the coordinated, comprehensive plan.

The study lists recommendations on how to improve the conditions of the homeless population. It charges the Department of Public Health and Human Services (DPHHS)[53] with the responsibility of ensuring the provisions of the 1990 National Affordable Housing Act in formulating the homeless sections of housing policies and strategies. Since the unsheltered homeless population shares similar needs with the rest of the homeless population, these recommendations are valid for both populations. These recommendations include:

1. Profile those who are homeless in Montana; identify the causes of homelessness throughout the communities in Montana; develop inventories of available services; and design action plans in emergency needs, permanent housing needs, and design strategies to prevent homelessness, for populations with special needs.

2. More coordination among the state and local providers of care for the homeless is needed and this includes additional training, workshops, etc. The provision of outreach programs is also needed.

3. DPHHS should develop a task force or coalition to generate on-going recommendations addressing the needs of the homeless population in Montana. This task force should include representatives from various groups and organizations who deal with the homeless.

4. DPHHS should devise a comprehensive state plan for addressing the needs of Montana homeless population. This plan should assess the number, the needs, various homeless groups with special needs, and an evaluation of available federal programs and funding. Such as a strategy would need to utilize the available resources and help mobilize the task force in its effort to combat homelessness.

5. HOMELESS PLAN DEVELOPMENT

In keeping with these efforts, DPHHS, has begun the general formation of a plan to address the homelessness. However, it is subject to federal regulation and budget priorities, all of which are currently in transition. Still, the following currently summarizes the draft plan, while qualifying the appropriate federal mandates.[54]

Consolidation of the Emergency Shelter Grant and Supportive Housing programs probably will occur, and the Section 8 SRO Program may also be modified or incorporated with the above. The consolidation may begin in fiscal year 1996. For FY95, the total funding allocated to homeless would be over $900 million, nationally.

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[53] The Department of Public Health and Human Services was formerly known as the Department of Social and Rehabilitation Services prior to July 1, 1995.

[54] As many of HUD's programs come up for reauthorization, the DPHHS's homeless assistance programs are also in a state of flux. The federal Senate and House of Representatives have yet to hammer out the details of the proposed legislative changes contained in companion bills.

The consolidated on the Emergency Shelter Grant Program with other McKinney programs did not occur. The legislation to effect the consolidation was not enacted, nor did the Administration's proposal to combine homeless assistance into one program result in the hoped for dramatic increase in ESG funds. Appropriations for ESG for FY96 have yet to be enacted, but a significant cut from FY95 is expected.

However, a super Notification of Funds Availability (NOFA) was issued by HUD to encourage communities to apply for funds to provide a range of services for homeless individuals.

C. NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

1. ECONOMIC DEVELOPMENT

FINDINGS OF PAST ECONOMIC DEVELOPMENT STUDIES

During the past 22 years, there have been at least 10 separate reviews and studies of Montana's community development position by various public agencies and private-sector consultants.

In 1970, the Bureau of Business and Economic Research of the University of Montana completed the *Montana Economic Study*. Samuel Chase, Jr. and the other authors of the study concluded that Montana was unlikely to regain its relatively prosperous economic position and was likely to fall even further behind. The authors cautioned, "We do not believe that a permanent order of priorities -- a grand design -- can or should be established with respect to state actions to remedy the situation." Instead a continuous, orderly process allowing Montanans to consider facts and express their preferences in light of changing economic realities was recommended. The report avoided making specific recommendations on how to address the challenge of low economic growth, but called for tax reform, governmental reorganization, and consolidation.

In August 1976, Governor Thomas Judge presented the *Montana Governor's Policy Initiatives* as representative of the areas upon which he anticipated the executive branch would focus its primary attention during the 1977-79 policy cycle. Specific policy and programmatic initiatives covered general government, community affairs, the economy and the environment, education, human services, public safety and protection, and transportation. The ultimate goal of the plan was to create job opportunities at a rate sufficient to provide employment for all Montanans by identifying areas suitable for increased economic growth and activity, taking into consideration the existing economic base, availability of materials and energy, labor market factors, transportation, existing market demand, and pollution-control requirements.

The *Montana Economic Development Project*, co-sponsored by the state government and the Montana International Trade Commission, began working to identify and analyze new economic development opportunities for Montana in spring 1982. By January 1983, a strategic plan for economic growth was produced with the help of McKinsey and Co. The plan, while never put into final form and published, was used as a framework in 1987 by the Governor's Council on Economic

Development in the development of *The Next Century: Strategies for Advancing Montana's Economy*. The final summary draft of the 1983 McKinsey and Co. report contained detailed reviews of Montana's economic performance, an assessment of Montana's economic development assets and liabilities, and 22 specific recommendations to promote growth, including the Ambassadors business recruitment effort, more support for tourism promotion, increased investments in infrastructure, the formation of a science and technology committee, and a comprehensive tax study.

During the period from 1983 to 1988, several of the recommendations of the 1983 work were acted upon, with many more initiatives directed to sector-specific task forces or industries for further study. Published works during this period included the proceedings of a July 1986 *Conference on Montana's Economic Future* featuring Dr. David Birch, papers presented to a *Conference on Taxation and the Montana Economy* in September 1986, and the *Report of the Economic Transition Task Force to the Governor* in November 1986. On March 22, 1987, the *Great Falls Tribune* published a special edition insert with the results of a survey of Montana leaders that recommended a list of individuals most likely to lead Montana through the economic transition. This insert also contained a series of essays by Montana leaders and academics who voiced opinions about particular government policies.

In August 1986, Pacific Power published a target industry study of Northwestern Montana.[55] This study was the result of a research effort to identify industries with the best development potential for Lincoln, Flathead, and Lake counties in Northwestern Montana. The report is a compilation of geographic, demographic, and economic characteristics of that area.

The industrial economy of NW Montana is mainly manufacturing of lumber and wood products and aluminum production. The manufacturing sector was the third largest employer in the area in 1984. Agriculture in the area is mostly wheat ranching and some fruit growing. Trade (retail and wholesale) was the largest employer in 1984 -- about 23 percent of total employment for the area. Government employment was the second largest sector in 1984, and the service sector was expanding. The tourism industry played a significant role in the NW Montana area as well.

Pacific Power targeted three groups of industries for economic development:

- Industries whose products are imported into the area.
- Industries that exist locally and export products out of the area to markets that are expected to grow.
- Industries whose primary production inputs are available, although the industries may not be represented in the area.

The top industries that were chosen included plating and polishing, welding apparatus, miscellaneous plastic products, aluminum castings, fabricated metal products, boat building and repair, furniture and fixtures, wood partitions and fixtures, and tourism. These industries were selected as having the best prospects and highest potential for development in the NW Montana economic area.

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[55] Pacific Power & Light Company. *Target Industry Study: Northwestern Montana*, Portland, Oregon, August 1986.

In December 1988, the Montana Ambassadors (a private organization of business and university leaders) published *Partnership for Progress*, a report that summarized the opinions of the Ambassadors' membership on the Montana economy, analyzed the economy and its problems, and made a number of recommendations related to tax reform, education, capital availability, workers' compensation reform, and other key development issues.

Also in December 1988, the Governor's Council on Economic Development presented *The Next Century: Strategies for Advancing Montana's Economy*. The report drew upon previous work of McKinsey and Co., David Birch, and other expert advisory groups. According to Stanley Nicholson, "The hallmark of the report was the diagnosis that Montana now has two economies, the traditional resource-based sector that is declining and the new small business sector that is advancing."[56] The report recommended five strategies as crucial to Montana's economic future:

- Investing in the workforce;
- Encouraging and supporting entrepreneurship and business innovation;
- Building and maintaining physical infrastructure;
- Strengthening local government fiscal capacity; and
- Strengthening State fiscal capacity.

Additionally, the report presented 14 specific tactics to nurture economic development at the state and local levels and called for a review of the tax system. The tactics are summarized below, by category.

Workforce Investments

1. Maintain and Enhance the Educational Attainment and Skills of Tomorrow's Workforce.
   - Teachers, parents and administrators should focus on the outputs of education -- what they want students in their community to know and be able to do as a result of their schooling -- rather than on the inputs. Courses of actions to pursue include: adopt and regularly upgrade school accreditation and graduation, give schools more discretion over education and administration, publish annual reports on the performance of public educational and private training institutions, provide performance bonuses to schools, allow parents to choose among public schools.

2. Strengthen the Earning Capacity of Poor People and Reduce Welfare Caseloads.
   - Compared to most other states, Montana takes relatively good care of its poor. But, it is less successful at removing the barriers that keep people dependent upon welfare. Social service agencies need to assess welfare dependents' personal and economic strengths and weaknesses and encourage them to choose appropriate routes toward independence, providing financial assistance along the way. Excellence of social service agencies must also be fostered through offering a wide range of competitive services under performance contracts.

[56] *Ibid.*

Entrepreneurship/Business Innovation

3. Increase the Visibility of Montana Entrepreneurs.
    - This will draw attention to the opportunities in Montana for new business development. By recognizing entrepreneurship, a climate is created that fosters new enterprises and helps existing businesses to grow.

4. Assure the Availability of Management and Marketing Assistance for New and Expanding Businesses.
    - New businesses often fail because they do not know how to succeed -- they lack the business management or market development experience necessary to stay in business. Help is available through the Business Assistance Division of the Montana Department of Commerce, through the Small Business Development Centers, through the Center for Entrepreneurial Studies at the University of Montana and through vo-tech school programs.

5. Appoint a Temporary Financial Services Commission to Review the Regulations Governing Competition in Montana's Financial Industry -- Including Intrastate and Interstate Banking -- Remove the Barriers to the Industry's Growth, and Increase Access to Capital for Montana Businesses.
    - The Commission would develop a strategy designed to encourage modern, responsible banking innovation and provide Montanans the benefits of a competitive financial system. Currently, Montana banks invest a lower share of their assets in local businesses and individuals than do banks nationwide, and invest instead in low-risk, out-of-state income earning assets such as government bonds.

6. Harness the Resources of the Higher Education System to Promote Economic Development.
    - High priority should be given to raising teaching and research standards, developing research capacity, and strengthening linkages with business.

7. Reduce Regulatory Barriers to New Business Creation.
    - Re-evaluation of state regulations that once served valid purposes but may now pose a barrier to competition and new business development will ensure that these regulations still serve legitimate public purposes.

Infrastructure

8. Improve Capital Planning and Budgeting.
    - The state needs to modernize its capital budget to ensure that the full costs of projects are displayed, and it should consider the use of enterprise budgets to encourage efficiency and flexibility in infrastructure service agencies.

9. Strengthen Montana's Infrastructure Financing Capacity.
    - The most promising ways to strengthen financing capacity include user-fee backed revenue bonds, more effectively marketed debt, and more competitive underwriting.

10. Create a Water Rights Procedure That Facilitates the Transfer of Water Rights Among All Beneficial Users.

- Water is a valuable economic resource. The state needs to clearly define water rights in terms of consumptive use, help local authorities develop procedures to market water, and integrate public trust values (recreational, environmental, etc.) into water markets.

Local Governments' Fiscal Capacity

11. Create a Statewide "Local Government Finance Corporation"

- The corporation would provide local governments with training on capital facilities planning and help cover the costs of that planning.

12. Employ User Fees Tempered with Low-Income Household "Circuit Breakers"

- A "circuit breaker" is a form of a property tax credit to households, which is useful to pay a portion of a public project's cost that exceeds a predetermined fraction of poor households' income. This is done to overcome the common objection to user fees for publicly provided infrastructure services -- that they will be a hardship for low-income households.

State Fiscal Capacity

13. Reduce Preferential State and Local Government Property Tax Abatements and Exemptions.

- Montana sometimes promotes economic development through special tax inducements. One person's tax reduction is either another person's tax increase or the loss of a public service. Good tax policy is not the same as low tax policy.

14. Develop a Long-Term Tax Strategy That Contains Overall Tax Rates and Makes the Tax System More Neutral and More Equitable.

- A comprehensive review of Montana's tax system is needed.

The May 1990 *New Directions* report commissioned by the Montana State AFL-CIO and prepared by the Corporation for Enterprise Development, a private consulting firm in North Carolina, presented another agenda for organizing Montana's human and natural resources to build a "first-rate state economy." The report recommended national leadership in programs for retraining older workers and for building foreign-language and cultural education into the curricula of schools and universities. The authors also criticized the tax breaks enacted in the 1980s to spur business development as largely ineffective, and recommended that some of those be reversed to help pay for the under-funded regular government programs and for their program recommendations.

2. PUBLIC FACILITY DEVELOPMENT

PUBLIC FACILITY DEVELOPMENT NEEDS

An Inventory of Infrastructure was taken this past year. First, data from various state agencies were collected and tabulated; secondly, a brief survey was conducted. Both these efforts were focused on two public facility issues only: water/sewer systems, and landfills. The following

discussion is designed to emphasize the degree and urgency of the infrastructure crisis in Montana, particularly in light of the fact that all the below are short range funding difficulties (those needing resolution within one to three years). Identified areas of need are by no means complete. Further, CDBG funding for infrastructure is the result of a competitive bid (and ranking) process.

1. INFRASTRUCTURE ANALYSIS

As mentioned previously, surveys containing questions dealing with each of the ten defined infrastructure areas were distributed to public entities. Three separate surveys were distributed. The first survey, mailed out July 18, 1995, included questions about water, wastewater and solid waste needs of each entity. The second survey, mailed out August 11, 1995, included questions regarding roads, bridges, and storm sewers. The third survey, also mailed August 11, 1995 included questions regarding fire stations, police stations and law enforcement centers, jails, and handicapped accessible public buildings.

A cover letter signed by Jon Noel, Director of MDOC; Alec Hansen, Director of Montana League of Cities and Towns; and Gordon Morris, Director of Montana Association of County Officials, was placed on MDOC letterhead and included with each survey. The letter stressed the importance of responding to the surveys in order that the legislature and state agencies may better understand the full scope of infrastructure needs in Montana. Mailing lists were prepared using directories published by the Montana League of Cities and Towns (MLCT) and Montana Association of County Officials (MACO) were also used to obtain names and addresses

Only public entities were surveyed. These included counties, cities, towns, and districts. Private entities such as trailer courts, water and/or wastewater associations, etc. were not included in the mailings. The water/wastewater/solid waste survey was a census; in other words, all known facilities were sent a survey. The remaining seven infrastructure categories surveyed, while not statistically sampled, represented as complete a judgmental sample as the cited surveys allowed.

WATER/WASTEWATER/SOLID WASTE NEEDS SURVEY

A total of 221 water/wastewater/solid waste needs surveys were distributed to public entities throughout Montana. The mailing list was compiled by combining lists obtained from the Water Quality Division of the DEQ, the Solid and Hazardous Waste Division of the DEQ, the League of Cities and Towns Directory and the Montana Association of County Officials Directory. The mailings went to superintendents, public works directors, clerks, chairmen, secretaries, managers, etc., of cities, towns, and districts. Two weeks following distribution of the surveys, D&A began placing phone calls to entities that had not yet responded to the survey. The phone survey appeared quite useful in that 59 additional surveys were garnered by completing them over the phone. It was also determined by phone calls that 17 duplicate surveys were distributed and 6 districts were no longer active. At least 3 attempts were made to reach each entity, and typically 6 to 7 calls were made. Despite these efforts, 45 entities either did not respond or could not be reached. A total of 145 valid surveys were received out of what was

determined to be a possible 198 surveys for a 73.2 percent response. The following table summarizes the returns for each of three systems.

TABLE 1
SUMMARY OF WATER, WASTEWATER, SOLID WASTE RETURN NUMBERS

	MAIL	PHONE	NO RESPONSE	TOTAL
Water	58	42	47	147
Wastewater	57	42	35	134
Solid Waste	29	9	11	49
TOTAL	86	59	17	145

FIRE STATIONS/POLICE STATIONS AND LAW ENFORCEMENT CENTERS/JAILS/ AND HANDICAPPED ACCESSIBLE PUBLIC BUILDINGS

A total of 333 surveys were distributed to sheriffs, fire chiefs, county commissioners, police chiefs, marshals, building inspectors, etc. of cities, towns and counties throughout Montana. The mailing list was compiled using the League of Cities and Towns and Montana Association of County Officials Directories. Follow-up phone calls were not made by the consultant for this survey. However, phone calls were made by representatives of the Fire Safety Bureau and Board of Crime Control Bureau to encourage the return of surveys.

As of October 13, 1995, 101 surveys had been returned for a 30% response rate. The following should be noted: not all fire suppression entities were contacted (individual districts were not solicited), and building inspectors were surveyed in the hope that input regarding ADA would be provided, even though this may have been out of their jurisdiction. It is therefore felt that this exercise should be considered more of a sampling than an actual survey.

ROADS/BRIDGES/STORM SEWER NEEDS SURVEY

Street superintendents, supervisors, foremen and surveyors in 56 counties and 64 cities and towns were mailed a total of 120 surveys. The mailing list was compiled from listings in the League of Cities and Towns and Montana Association of County Officials Directories. Those not returning surveys did not receive follow-up phone calls from the consultant.

As of October 13, 1995, 30 surveys had been returned for a 25% response rate. This exercise was meant to be more of sampling than an actual survey, and due to the low response, it must be viewed that way.

SUMMARY

Survey forms were sent out in July and August to 674 appropriate municipal and county government officials. Considering the short response time allowed, and considering that late summer is a busy time of year for most public officials, the number of returns was in the range

of what was expected. In particular, return numbers from the areas of water, wastewater, and solid waste were very encouraging. This was due in large part to the follow-up calls made and to the fact that communities are relatively aware of their needs in these areas due to active regulation by government agencies.

The results garnered from the surveys will be helpful in estimating costs of addressing needs in the ten infrastructure areas. The following section will further discuss survey results and applications.

2. DETERMINATION OF MONTANA INFRASTRUCTURE NEEDS

GENERAL

Infrastructure is defined as the collective, long-term investment by citizens in facilities and installations necessary to their safety and convenience. Examples include transportation facilities (roads and bridges), utilities (water, wastewater and solid waste disposal) and public protection (fire stations and jails). All elements of infrastructure require periodic maintenance, expansion, and/or replacement.

This report addresses the needs of Montana in the following ten infrastructure areas:

1. Water Systems
2. Wastewater (sewer) Systems
3. SolidWaste Facilities
4. Roads/Streets (local government)
5. Bridges
6. Storm Sewer Systems
7. Fire Stations
8. Police Stations/Law Enforcement Centers
9. Jails
10. Handicapped Accessibility for Public Facilities or Buildings

This report addresses needs of municipal and county infrastructures only. Infrastructure needs in any of the ten defined areas associated with state, federal, and/or private entities were not considered.

Only infrastructure needs for projects not already underway were identified. Projects already underway, or funded but not yet underway, were not considered. To be consistent with the time period to be covered by the Consolidated Plan, an attempt was made to quantify only those needs that would fall within the next five years. However, if the time period was not indicated or fell outside of the five year window, the documented need was still considered, primarily because of comments noted which said that should monies become available, most project schedules would be moved up.

Insufficient detail was required on the survey forms for the entity to note whether costs for professional fees (architect/engineer), legal fees, right-of-way acquisitions, contingencies, etc. were included. These costs can typically run up to 25% of the project. Allowance for these costs will be made for each category as deemed appropriate.

The survey forms asked what the basis for cost estimates was: professional, local authority, or other. In reviewing each survey, the source of cost estimates was considered, with more credence placed on those prepared by professionals than those prepared by locals. The consultant supplemented cost estimates on the survey forms where needs were identified yet no costs provided. Consultant-provided estimates were arrived at by using information presented on the surveys, and applying typical costs per units or utilizing cost ranges. Consultant estimates were also based on knowledge of the specific infrastructure, if any, and consideration of size and resources of the community including O&M capabilities. Compliance with federal, state and local design standards was considered during the estimating process.

WATER SYSTEMS

Public water systems are established in order that communities may be provided with dependable, safe and convenient supplies of water for drinking, domestic uses, fire protection, and irrigation uses. Major components of water systems include supply (source), treatment, storage, pumping and distribution facilities. Operating authorities typically consist of cities, towns and districts (counties).

Based on lists received from the Department of Environmental Quality, there are 180 public water systems in the state. Surveys were sent to 147 of these facilities, and 100 responses were received (58 written and 42 phone). Table 2 summarizes the preceding.

TABLE 2
SUMMARY OF WATER SYSTEM SURVEY RESPONSES

	NO.	% OF TOTAL (180)	% OF SURVEYED (147)
Total Facilities	180	100	-
Facilities Sent Surveys	147	82	100
Written Returns Received	58	32	39
Phone Contacts Made	42	23	29
Total Responses	100	55	68
(No Response From 47 Facilities)			

Table 3, on the following page, presents a summary of cost estimates for each of the water components including supply, treatment, storage, pumping and distribution. Line 1 summarizes the estimated costs for each component as stated by the entity. Line 2 includes supplemental costs compiled by the consultant. Line 3 totals the estimated costs of line 1 and 2. Each line also includes the number of facilities identified as needing improvements. Note that facility numbers

across each line do not necessarily add up to the number in the total column since some entities have proposed projects that include more than one water component.

TABLE 3
SUMMARY OF COST ESTIMATES FOR NEEDS FROM WATER SURVEYS

	SUPPLY	TREATMENT	STORAGE	PUMPING	DIST.	OTHER	TOTAL
1.SURVEY RESULTS							
Cost Estimates	5,736,300	19,086,667	99349908	6,030,417	43,606,588	2,986,400	87,381,362
# of Facilities	16	16		8	23	5	-
2. CONSULTANTS SUPPLEMENT							
Cost Estimates	738090019	7,550,000	15,813,500	1,200,000	17,876,700	5550002	50,376,100
# of Facilities		13	19	5	24		-
3. TOTAL							
Cost Estimates	131172003	2663666729	2574849036	72304171	614832884	35414007	1377574627
# of Facilities	5			3	7		1

Each survey was reviewed by the consultant. Where the entity indicated that estimated costs were provided by an engineer, numbers were not adjusted. Where the entity provided their own costs, the consultant checked the numbers and adjusted them where they seemed unrealistic. For the cases where the entity indicated needs but did not provide cost estimates, the consultant inserted a cost based on general knowledge of costs for water system components. For example, storage tanks typically cost between $1.00 and $1.50 per gallon depending on size and on whether they are on grade or elevated. Thus, communities smaller than 500 were assigned a cost of $200,000-$300,000 for a 200,000 gallon tank, communities 500-1500 $500,000 for a 500,000 gallon tank and so on. Needs for larger communities tended to be well-documented based on recent engineering studies.

The DEQ Drinking Water Section of the Water Quality Division was consulted regarding needs identified by the surveys. Additional information was provided which was used during the consultant's process of checking and supplementing the surveys.

After consultations with DEQ and analysis of the surveys, it is felt that the total estimated cost of $137,757,000 as presented in Table 4 is realistic. It is felt that an additional factor of 20% should be added to this figure to account for engineering, legal, contingencies, acquisition, and other costs that may not have been included. Thus, the final estimated cost to address water needs in Montana is projected at $137,757,000 x 1.20 = $165,000,000.

WASTEWATER SYSTEMS

Wastewater systems, also known as sanitary sewer or sewage systems, convey and dispose of human and industrial waste, thus protecting the public from health hazards and nuisances. The primary components of wastewater systems are collection, pumping and treatment facilities. Local operating authorities typically consist of cities, towns, and districts (counties).

Records obtained from the Department of Environmental Quality indicate that there are 191 public wastewater facilities in the state. Surveys were sent to 134 of the facilities, and 99 responses were received (57 written and 42 phone). Table 4 summarizes the preceding along with associated percentages.

TABLE 4
SUMMARY OF WASTEWATER SYSTEM SURVEY RESPONSES

	NO.	% OF TOTAL (191)	% OF SURVEYED (134)
Total Facilities	191	100	-
Facilities Sent Surveys	134	70	100
Written Returns Received	57	30	43
Phone Contacts Made	42	22	31
Number of Responses	99	52	74
Additional on Priority List	35	18	-
Total Facilities Addressed	144	75	-
(No Response from 35 Facilities)			

Table 5 presents a summary of cost estimates based on survey information for the State's wastewater needs. Estimated costs are presented for the separate wastewater components including treatment, pumping, collection and other. Line 1 summarizes estimated costs as provided by the local entities on the surveys. Line 2 presents supplemental cost estimates compiled by the consultant. Line 3 lists total costs for priority list projects not included on Lines 1 and 2. Line 4 provides a total of estimated costs for each component as well as an overall total. Each line also includes the number of facilities earmarked for improvements. Note that facility numbers across each line do not necessarily add up to the number in the total column since some entities have proposed projects that include more than one wastewater component.

TABLE 5
SUMMARY OF COST ESTIMATES FOR NEEDS
FROM WASTEWATER SURVEYS

	TREATMENT	PUMPING	COLLECTION	OTHER	TOTAL
1. SURVEY RESULTS					
Cost Estimates	$28,339,400	$1,495,000	$43,154,700	$882,500	$73,871,600
# of Facilities	19	6	16	1	-
2. CONSULTANTS SUPPLEMENT				-	
Cost Estimate	$ 2,238,000	$2,500,000	$20,095,000	-	$24,833,000
# of Facilities	20	10	20		-
3. PRIORITY LIST PROJECTS NOT INCLUDED IN SURVEY	-	-	-	-	$47,109,000 35
4. TOTAL					
Cost Estimates	$30,577,400	$3,995,000	$63,249,700	$882,500	$145,813,600
# of Facilities	39	16	36	1	89

A priority list, compiled by the Grants Bureau of the DEQ Water Quality Division, was obtained after distribution of the surveys. This list includes facilities with known deficiencies and indicates cost estimates to correct the deficiencies. This list was used to supplement information from entities returning surveys and to form a line item for entities not included on the survey mailing list. Note that cost information provided on the priority list is based on preliminary estimates and does not, in all cases, represent final engineering estimates. The cost estimates, however, are well within the accuracy of those provided in this report. The priority list estimates also do not include a detailed breakdown for each facility component, and thus only a grand total is listed in Table 5.

In supplementing the surveys, the consultant utilized common engineering principals and experience with past projects. In instances where the entity filled in costs and indicated the source was an engineer, the results were not corrected. In instances where the entity filled in costs based on their knowledge, the consultant checked the costs and made adjustments only when the costs seemed very unrealistic. When the entity indicated a need in a certain area, but did not include a cost, the consultant inserted a cost based on experience and knowledge of facility costs. For example, for communities indicating a need for a new lagoon, $500,000 was indicated for those less than 500, $1,000,000 for those in the 1,000 population range and $1,500,000 for those between 1,000 and 5,000. The larger communities tended to have well- documented needs based on detailed analyses.

In determining a final cost estimate for wastewater needs in Montana, several factors must be considered. Table 5 shows a total dollar amount of $146,000,000 for 89 facilities. As Table 4 shows, only 47, or 25%, of the facilities in the State were not addressed either by survey (written or phone) or the priority list process. It can probably be assumed that the 47 facilities not listed on either study were left off the priority list because no improvements were needed.

Another consideration is whether or not an allowance was included in each estimate for engineering, contingency, legal, acquisition, etc. As stated before, this number typically reaches 25 or 30 percent of the construction costs. It is likely that because most of the costs presented were provided by engineers, this allowance was made in most cases. However, a 10% increase is suggested to account for those entities that may not have accounted for these costs. Thus, the final estimated dollar amount for wastewater needs is projected to be $146,000,000 X 1.10 = $161,000,000.

SOLID WASTE FACILITIES

Solid waste facilities provide protection to human health and the environment by maintaining adequate management services for waste created by the general population. Components of solid waste facilities consist of collection, transfer and disposal. Typically, solid waste management is conducted by city, county or private entities. Only needs of public entities such as towns, cities and districts (counties) are covered by this report.

Based on information provided by the Waste Management Division of the DEQ, 105 public solid waste facilities are in operation in Montana. These entities include 32 landfills, 6 transfer stations, and 67 container sites. The number of public/community collection systems was not available. Surveys were sent to 49 of these facilities of which 38 responses were received (29 written and 9 phone). Table 6 summarizes the survey responses.

TABLE 6
SUMMARY OF SOLID WASTE FACILITY SURVEY RESPONSES

	NO.	% OF TOTAL (105)	% OF SURVEYED (49)
Total Facilities	105	100	-
Facilities Sent Surveys	49	47	100
Written Returns Received	29	28	59
Phone Contacts Made	9	8	18
Total Responses	38	36	77

(No Response from 11 Facilities)

Table 7 outlines cost estimates for each of the solid waste components including collection, transfer and disposal. Line 1 summarizes the estimated costs for each component as stated on the survey by the entities. Line 2 includes supplemental costs compiled by the consultant. Line 3 provides totals of estimated costs contained on Lines 1 and 2. Each line also includes the number of facilities identified as needing improvements. Note that the facility numbers across each line do not necessarily add up to the number in the total column since some entities have proposed projects that include more than one solid waste component.

TABLE 7
SUMMARY OF COST ESTIMATES FOR NEEDS
FROM SOLID WASTE SURVEYS

	COLLECTION	TRANSFER	LANDFILL	OTHER	TOTAL
1. SURVEY RESULTS					
Cost Estimates	5156005	1,610,000	5,265,000	-0-	7,390,600
# of Facilities		3	9	0	-
2. CONSULTANTS SUPPLEMENT					
Cost Estimates	2000002	-0-	34500007	900001	3,740,000
# of Facilities		0			-
3. TOTAL					
Cost Estimates	7156007	16100003	871500016	900001	1113060020
# of Facilities					

Each survey was reviewed by the consultant. Where the entity indicated cost estimates were by an engineer, numbers were not adjusted. Numbers provided by entities were checked and adjusted accordingly if they seemed unrealistic. Where the entity indicated a need but did not provide a cost, the consultant developed a cost estimate based on information provided and cost

knowledge of solid waste facility components. For example, a small transfer station that may serve a county would likely cost $500,000 while a transfer station for a large city may cost between $1,500,000 and $2,000,000. A sit down meeting was conducted with the DEQ Waste Management Division in which needs and costs of all public entities in Montana were discussed. This information was used during the consultant's process of checking and supplementing the surveys.

From Table 7, the total estimated costs to address solid waste needs in Montana is $11,131,000 for 20 facilities. A reasonable comfort level relative to the solid waste needs of Montana is available to the Consultant and DEQ Waste Management Division following the big push to meet Subtitle D regulations over the past few years. Because of the Subtitle D requirements, most entities are up to date; thus, those still having needs are relatively easy to quantify. It is felt that an additional factor of 20% should be added to the $11,131,000 cost estimate to account for engineering, contingencies, legal, acquisition, etc. costs that may have been left out of some of the estimates. Thus, the final estimated dollar amount for solid waste needs in Montana is projected to be $11,131,000 X 1.20 = $13,000,000

ROADS/STREETS

Roads and streets built to federal, state and local standards provide a safe and convenient method of travel essential to basic industry, business, recreation, and emergency transportation as well as many other uses. Local governments are responsible for construction, reconstruction or rehabilitation of all public roads and streets not under the jurisdiction of the State of Montana or federal government. Table 8 summarizes the amount of roadways considered to be the responsibility of cities, towns or counties.

TABLE 8
SUMMARY OF
LOCAL ROAD/STREET MILEAGE

CITIES & TOWNS (128)	
Within City Boundaries	2,480 Miles
Urban Routs	252 Miles
Secondary Routs	48 Miles
Subtotal	2,780 Miles [1]
County (56)	
Maintained	58,033 Miles [2]
Total	60,813 Miles

1) Obtained From MDOT Records (1995 Figures)
2) Obtained From MDOT Records (1994 Maintained Miles)

A total of 120 surveys was sent out to all 56 counties and 64 of the 128 cities and towns; 28 surveys were completed and returned for a 23% response. The low response rate is not completely unexpected since the people surveyed are quite busy this time of year and a follow up phone survey was not performed; the survey was not a systematic sample, but rather a judgmental sample. Table 9 summarizes the information provided by the survey.

TABLE 9
SUMMARY OF COST ESTIMATES FOR NEEDS FROM ROADS/STREETS SURVEYS

	NO.	MAINT.	RESURF.	RECONST.	TOTAL
CITIES & TOWNS	11	$14,110,500	$22,610,000	$72,696,640	$109,417,140
COUNTIES	17	$38,653,900	$36,879,000	$36,865,000	$112,397,900
TOTAL	28	$52,764,400	$59,489,000	$109,561,640	$221,815,040

Maintenance cost was included in the survey to gauge the magnitude of need for day to day upkeep of systems. As shown by this sampling, the needs for maintenance are approximately 25% of the total cost. For the purpose of this report, maintenance will not be included in the process of estimating costs.

Since the survey response was by no means all-inclusive (13 cities and towns out of 128 and 15 counties out of 56), the total costs contained in Table 9 are not representative of the magnitude of road and street need. One method of arriving at an estimate is to extrapolate the numbers out to reflect all entities. The following depicts such an exercise using ratios.

Cities & Towns $\frac{11}{128} = \frac{95,306,640}{X}$ X = 1,109,023,000

Counties $\frac{17}{56} = \frac{73,744,000}{X}$ X = 242,921,000

TOTAL = 1,351,944,000

Applying a factor of 25% to this number results in an estimated cost of $1,351,944,000 x 1.25 = 1,689,930,000 dollars. Another method of approaching a cost estimate is to utilize a ratio of miles and costs stated in the surveys in conjunction with total miles, see Table 10.

TABLE 10
SUMMARY OF MILES & COSTS FROM ROAD/STREET SURVEY

	MILES REPRESENTED	MILES TO BE IMPROVED	%	COST	COST PER MILE
Cities & Towns (11)	967	372	38	95306640	256200
County (17)	13521	3269	24	73744000	22600

Cities & Towns .38 x 2,780 = 1,056 Miles x $256,200 = $270,547,000

Counties .24 x 58,033 = 13,928 Miles x $22,600 = $314,773,000

TOTAL = $585,320,000

585,320,000 x 1.25 = $732,000,000

It appears that the methods result in two estimates, one of which is twice as large as the other: $732,000,000 and $1,350,000,000, Due to minimal information received from the surveys, and insufficient funds for the consultant to perform further analysis, the approximate average, or an estimated cost of $1,000,000,000, is suggested for use in addressing the needs of Montana's roads and streets.

BRIDGES

Bridges are an integral part of the roadway network that is essential to Montana's transportation system. The MDOT has quantified around 2800 off system bridges greater than 20 feet throughout the State. The MDOT performs inspections on each of these bridges every two years. From these inspections, the Bridge Bureau has developed a priority list of 583 bridges (over 20 feet) that are in need of repair. The estimated costs for these repairs are $142,000,000 (provided by MDOT Bridge Bureau). The MDOT feels that the other 1700-1800 bridges are in adequate condition for the time being. There currently is no count on bridges shorter than 20 feet. The MDOT is not concerned with these bridges since they have found that they can be replaced quickly and cheaply with culverts. Table 11 summarizes data received on the surveys.

TABLE 11
SUMMARY OF BRIDGE SURVEY RESPONSES

	< 20'	20' - 100'	> 100'	TOTAL
Cities & Towns				
Number	-	2500000	2400000	4900000
Cost Needs	-			
Counties (14)				
Number	982973000	10022283000	2415450000	22240706000
Cost Needs				
Total				
Number	982973000	10222783000	2615850000	22641606000
Cost Needs				

It is felt that the MDOT estimates are far more accurate than any costs that could be established using the limited information stated on the surveys. The MDOT viewpoint that bridges under 20 feet need not be considered appears sound since they can easily be repaired or replaced using maintenance monies. The estimated need for Montana's bridges is thus placed at $142,000,000.

STORM SEWERS

Storm sewer systems are utilized to collect, convey and treat water resulting from precipitation. At this point, treatment is only necessary for communities with populations over 50,000. However minimal treatment is already achieved in many facilities utilizing detention ponds. Storm drainage for most small communities typically centers along the highway that

crosses through town, with curb and gutter and sometimes a few catch basins with collection piping.

Storm drainage improvements are not viewed as high priorities in most small communities. This is evident by the very poor response of the survey. Larger communities tend to experience more problems with storm runoff than do smaller towns. The primary reason for this is that more hard surfaces (roads, playgrounds, roofs, etc.) are present and the expanse of the development provides few places for the water to flow to. Only six entities responded to the storm sewer question. It is very likely that at least twice this many need major improvements, each in the 5 to 10 million dollar range. While responses were received from Billings, Great Falls, Helena, and three smaller entities, information from Missoula, Kalispell and Bozeman was lacking.

The six entities responding to the survey identified needs of over 31 million dollars. Should some of the other larger communities such as Missoula, Kalispell, Bozeman, Lewistown, Livingston, etc. identify needs, it is likely that over 100,000,000 dollars could be required. Although Scott Anderson of the DEQ Water Quality Division has been identified as the contact person, that agency actually has little involvement with the issue at this time. Thus, assistance with supporting cost estimates of actual storm sewer needs is difficult to obtain. At present the consultant feels that the needs in Montana likely exceed $100,000,000. However, the six documented projects requiring $31,000,000 will be utilized for the estimated costs.

FIRE STATIONS

Fire stations are an important facet of Montana's infrastructure in that they provide a center for emergency vehicle and equipment storage as well as a center for emergency personnel to gather and train. There are currently 344 fire departments with around 9600 fire fighters (from the Montana State Fire Marshal). Of these 9600 (figure based on average of 28 per department), only about 400 are full-time, paid fire fighters. Montana is experiencing a crisis with its fire protection facilities due to rapid growth, particularly in remote, wooded areas that are difficult to service.

The 344 departments consist of municipal departments, rural fire districts, fire service areas, county departments and volunteer fire departments. Surveys were sent to all fire chiefs and marshals listed in the League of Cities & Towns and MACO directories. Of the 111 chiefs, marshals and commissioners contacted, 33 responded. Note that some chiefs and marshals oversee multiple departments and some departments have more than one fire station. The returned surveys identified $8,318,000 of improvements. The majority of the improvements consisted of renovation, expansion, or new construction of structures, although some requests for apparatus were included. It should be noted that where necessary, the consultant supplemented identified needs by providing cost estimates based on desired square footages provided, multiplied by $50 to $100 per square foot.

The low response rate makes it difficult to establish a cost estimate for the needs of Montana. Although only 30% of those surveyed responded, it is very likely that many more have

similar needs. Based on the $8,318,000 identified by the 33 respondents, each entity has needs of around $252,000. If it were to be assumed that all 111 had a similar average needs, 111 x $252,000 = $28,000,000 would be necessary to address the needs. For lack of better information, $28,000,000 x 1.25 = $35,000,000 will be used as the estimated cost to address the needs of fire stations in Montana.

POLICE STATIONS/LAW ENFORCEMENT CENTERS

Police Stations and Law Enforcement centers are integral to the public's protection. Central places are needed to dispatch emergency personnel and provide for working and training environments.

Surveys were sent to 141 police chiefs, sheriffs and marshals throughout the State. It is likely that some of these 141 entities share facilities and that several entities were not included on the mailing list. Only 23 surveys were returned identifying needs of $12,401,000. According to the Montana Department of Justice (MDOJ) Board of Crime Control there are 184 police stations/law enforcement centers in the State. This is based on the theory that each of the 56 counties and 128 incorporated cities has a facility. Some of these are likely quite small one- or two-man operations.

A memo dated March 14, 1995 to Rob McCracken from Jim Oberhofer identified probable projects as gathered by placing random telephone calls (a complete survey was not conducted). Fourteen projects (including some jails) estimated to cost $25,920,000 were contained in the memo. It was found that two of the projects were also contained in this survey. Adjusting for these two results in twelve projects at $21,320,000. Note that four of these also include jail facilities. Once again, the low response rate makes it difficult to project costs. Adding to the difficulty is the probability that several entities share facilities and that those that share with jails may have placed costs for these needs in the next section. It is felt that by utilizing the March 1995 survey conducted by MDOJ and the information gathered by the survey, further extrapolation of numbers is not warranted. Thus the cost of $12,401,000 + $21,320,000 = $33,721,000 x 1.2 = $42,000,000 for 35 projects will be used for the estimate of police station/law enforcement center needs.

JAILS

Jails exist to protect the general public from real and perceived dangerous persons who pose a threat to society. Jails are used as holding facilities for persons awaiting hearings or trial and for prisoners sentenced to limited terms. Jail construction and operation standards are designed to protect society and afford constitutional rights to prisoners. Separate facilities must be provided for adults and juveniles. In addition, isolation cells should be provided for intoxicated individuals. These restrictions along with increasing operation and maintenance costs are tending to drive entities towards plans for regionalization rather than construction of new jails.

Approximately 50 adult jails are currently present in Montana, all operated by counties. Several cities have holding facilities that really are not true jails. There are only three or four juvenile facilities in the State. The number of jails will steadily decline as more regionalization is realized over the next few years. However the need for holding facilities will continue to exist.

Of the 141 surveys distributed to police chiefs, sheriffs, and marshals, ten were returned. Needs identified by these ten surveys amounted to $18,570,000. It should be noted that a portion of the $35,000,000 projected for police stations and law enforcement centers also includes jail improvements. For lack of better information and difficulty in extrapolating costs, the survey number of $18,570,000 will be used. Adjusting for architectural and engineering fees, legal, contingencies, and acquisition results in 1.25 x $18,570,000 = $23,000,000 projected needs for ten documented projects.

When addressing needs of jails in the future, it may be more realistic to combine the analysis with police stations and law enforcement centers.

HANDICAPPED ACCESSIBILITY FOR PUBLIC FACILITIES OR BUILDINGS

In 1990, Federal Legislation was enacted which has become known as the American Disabilities Act. This act requires that all facilities or buildings must be accessible to the physically impaired. Examples of areas requiring accessibility modifications are building entrances and exits, floor levels, and restrooms. ADA requirements are enforced on a federal level with no jurisdiction available to state and local entities. Thus, if a violation is noted, a complaint must be lodged with the U.S. Department of Justice. This has only happened once in Montana.

No statewide coordinator is available in Montana, although the Governor has established a task force for ADA, and different state departments have retained experts to study their own facilities. Numerous public entities have begun addressing ADA requirements to greater or lesser degrees, particularly county courthouses and town halls. This is especially true of public entities that have been receiving federal dollars.

Sheriffs, fire chiefs, commissioners, building officials, and others associated with city and county governments were sent 333 surveys. Fourteen responses were received with needs totaling $1,316,900. This number appears to be extremely low. Even though numerous entities have begun addressing ADA deficiencies with their buildings and facilities, many, many more need attention. Until more complaints are lodged and heavy fines are levied, there is no incentive for public entities to properly address ADA. In the meantime, further education in public awareness is probably the best plan of action.

The results from the survey of ADA needs are not considered usable and therefore no estimated costs for addressing handicapped accessibility needs can be projected.

TABLE 12
SUMMARY CHART
MONTANA STATEWIDE LOCAL GOVERNMENT
ESTIMATE OF INFRASTRUCTURE NEEDS
LOCAL GOVERNMENT MANAGED FACILITIES ONLY

October, 1995

FACILITY & PRIORITY ORDER FOR DATA COLLECTION AND/OR ANALYSIS	TOTAL # OF LOCAL GOVERNMENT FACILITIES OR SYSTEMS IN STATE	# OF FACILITIES NEEDING MAJOR IMPROVEMENTS OR CONSTRUCTION	DOLLARS NEEDED (CURRENT $, MILLIONS)	LEAD AGENCY AND CONTACT PERSON
1. Water Systems	180	71	$165	DEQ, Water Quality Division, Jim Melstad
2. Wastewater Systems	191	89	$161	DEQ, Water Quality Division, Scott Anderson
3. Solid Waste Facilities	105 (Does not include community collection facilities)	20	$13	DEQ, Waste Management Division, Jon Dilliard
4. Roads/Streets (Local Government)	City Streets - 2780 miles County Roads - 60,813 miles	City Streets - 1,100 County Roads - 14,000	$1,000	MDOT, Dan Martin
5. Bridges	2300 (20' or longer)	583	$142	MDOT, Bridge Bureau, Jeff Meyer
6. Storm Sewer Systems (Drains, swales, etc.)	Unknown	6 Documented	$31	DEQ, Water Quality Division, Scott Anderson
7. Fire Stations	344 Departments	Total Unknown (33 documented)	$35	MDOJ, Fire Safety, Bruce Suenram
8. Police Stations/Law Enforcement Centers	184	35 Documented	$42	MDOJ, MT Board of Crime Control, Jim Oberhoffer
9. Jails	54 (Does not include holding facilities)	10 Documented	$23	MDOJ, Board of Crime Control, Gene Kiser
10. Handicapped Accessibility for public facilities or buildings	Unknown	Unknown	Unknown	No single agency or person for Montana
TOTAL			$1,612	

SUMMARY

As noted in Table 12, infrastructure needs exceed $1.6 billion for Montana. Cost estimating information presented in this section was based on sound engineering judgement. As discussed previously, more effort was spent to identify needs for water, wastewater, and solid waste facilities than was spent on other categories. Attempts to establish cost needs for storm sewer and handicap accessibility were somewhat futile. In order for officials to be able to better identify their needs, a sincere education effort must be directed towards public entities regarding these two areas of infrastructure.

The need for all public entities to have a capital improvements plan (preferably kept up to date) became apparent during the course of this analysis. Larger communities with such plans were able to provide detailed and accurate estimates of their needs, probably by expending little effort. All public entities should be encouraged to prepare capital improvement plans for their infrastructure. Such documents would assist in their short- and long-term planning of improvement projects. In the case of surveys such as this, it would be much easier for local officials to complete the forms in a timely manner. As it is, many individuals avoid filling out surveys simply because they don't want to take the time, or if they do, frustration sets in because questions become difficult to answer. A concerted effort to educate public officials regarding capital improvements plans and their benefits should be made. Incentives such as providing matching funds may be a way to further such plans.

A common feeling noted during the survey process was that there was a realization that improvements were necessary but no money was available to cover the costs. Some officials appeared to be settling into an attitude of futility rather than actively seeking ways to solve their problems. Realistic ways to assist local entities in funding badly needed infrastructure projects should be established as a high priority for the State of Montana.

D. FIVE-YEAR FORECAST FOR HOUSING AND COMMUNITY DEVELOPMENT NEEDS

Short term fluxions have risen this past year; however, the overall impact to the Five Year Forecast for the Consolidated Plan is minimal. The economic and demographic data has been updated with conclusive results that affordable housing conditions in the state are worse then ever. A significant effort has been given to study infrastructure conditions this past year. Assessment of infrastructure and information results of the surveys may precipitate future changes in infrastructure priorities and actions.

1. ECONOMIC DATA, EMPLOYMENT AND INCOME BY INDUSTRY

The following discussion addresses a forecast of employment and earnings by industry, unearned income, population by age and sex, and household formation annually through the year 2015. While presented here at the state level, all of Montana's 56 counties have similar annual forecast data. For the purpose of assisting local jurisdictions with planning issues, the county-level economic and

the purpose of assisting local jurisdictions with planning issues, the county-level economic and demographic forecast is available from MDOC.[57]

Statewide employment growth is expected to slow, falling from a 1.86 percent growth rate between 1967 and 1993 to a 1.14 percent rate of growth over the 1993 through 2015 period. This slower growth still has employment rising to nearly 600,000 by the year 2015. Employment in the agricultural sector continues to fall, shedding some 2,000 jobs over the period. The largest percent employment expansions will come from increases in retail trade and services, as presented in Table 13. Persons who remain employed in these lower paying sectors will continue to face difficulties affording adequate and suitable housing. Furthermore, while a short period of growth will occur in manufacturing employment, it will fall to below the 1993 level before the close of the forecast horizon. The traditionally higher paying industrial jobs will not keep pace with overall employment growth.

Total wage and salary income will rise over the forecast horizon, due to rising productivity and the lack of recessionary pressures. Earnings will increase from $7.35 billion in 1993 to about $11 billion (real 1987 dollars) by the year 2015. Average real earnings per worker will increase over the forecast horizon, but, as noted above, earnings will not be equitably distributed over the economy. The net results indicate that per capita income will rise from about $13,345 in 1993 to about $17,380 (real 1987 dollars) by the year 2015. At least on the surface, it would appear that with greater rates of pay, the cost burden may ease, increasing the affordability of housing.

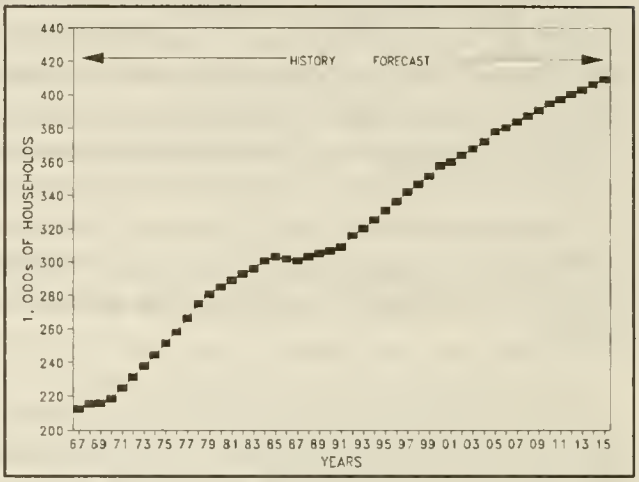
Statewide, population will continue to rise, placing continued pressure on the housing market. Population is expected to increase from about 839,000 in 1993 to about 882,410 in 2000, and to 972,540 by 2015, a higher rate of increase than anticipated last year. Furthermore, household formation will rise by over 89,160, with the steepest rises occurring within the 1993 through 1999 period, a 16 percent rise over last year's projection. Diagram 37, portrays the household forecast. As seen, another 26,750 housing units must come into the market within the next five years to meet the demand. If some parts of the population receive higher wages, prices will tend to follow demand. Those individuals without higher paying job skills will continue to face worsening housing affordability problems.

[57] The Montana Department of Commerce, Housing Assistance Bureau, can provide additional data pertaining to each county in the state of Montana and may be contacted by calling (406) 444-2804. Historic data, comprising the years 1969 through 1992, are from the U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. The most recent two years of this data is revised annually, with new benchmarks every five years; 1993 was a benchmark year and all data in this report reflect changes since data released in the FY94-98 CHAS. Forecast data was purchased from the National Planning Association Data Services, Washington, D.C. (NPA), and reprinted with their permission. This is their April 1994 forecast, with 1993 an estimated value. Short term data has changed, however, long term trends are still evident.

2. ANTICIPATED CHANGES IN HOUSING NEED

Montana does not see new types of housing needs arising over the forecast horizon. The needs addressed in previous Comprehensive Housing Affordability Strategy (CHAS) documents remain. However, the degree of need for those who are unable to ride the anticipated economic upswing will fall increasingly into housing stock that may have environmental hazards, may be unsuitable for adverse weather conditions, may be overcrowded, or have other substandard or unsuitability problems.

DIAGRAM 37
HOUSEHOLD FORMATION IN MONTANA



Current economic and housing market conditions favor middle to upper income households, where the purchase of single-family homes is strong and construction activity is good. Low- and very low-income households are experiencing the lower quality housing, are more crowded in their homes, face greater chances of having lead-based paint hazards, and see significant affordability problems. Market conditions are impeding the formation of affordable home ownership opportunities and are not generating sufficient rental housing to alleviate problems faced by renters. Low-income large families face overcrowding a majority of the time in several local communities. The needs of these low income groups remain unmet.

While short-term employment and population forecasts predict some slowdown in job growth, releasing some pressure on the housing market, current affordability problems will persist or worsen for both first-time homebuyers and low income renters, especially larger, low-income families into the foreseeable future.

Without significant market intervention, the direction of the housing market may pass by current in-need groups. These groups will therefore continue to go without affordable housing and may face increasingly difficult, overcrowded, unsuitable, or hazardous housing conditions. Economic theory suggests that market intervention actions that produce additional affordable home ownership opportunities or increase the supply of affordable priced rental properties will dampen the rising degree of need for affordable housing in the state.

Overall, Montana's affordable housing shortage, comprising some 25,000 units, is not expected to ease in the near future.

KEY FOR TABLES

FARM = Farming
CONST = Construction
MGF = Manufacturing
WHOLE = Wholesale Trade
SRVC = Services
FED C = Federal Civilian Gov.
S&LG = State and Local Gov.
F SE = Farm Self-employed Persons
W&S = Wage and Salary Employment

AFF = Agriculture, Fishery, and Forestry Services
MIN = Mining, both Mineral and Nonmineral
TCPU = Transportation, Communications, and Public Utilities
RETAIL = Retail Trade
FIRE = Finance, Insurance, and Real Estate
FED M = Federal Military Government
TOTAL = Total Employment
NF SE = Non-0farm Self-employed Persons

TABLE 13
HISTORIC AND FORECAST EMPLOYMENT DATA - MONTANA

1,000s OF JOBS

YEAR	FARM	AFF	MIN	CONST	MFG	TCPU	WHOLE	RETAIL	FIRE	SRVC	FED C	FED M	S&LG	TOTAL	F SE	NF SE	W&S	TOTAL
1990	31 28	5.94	7.13	19.62	25.01	24 21	16.69	78 47	27.37	114 14	13.86	10.68	56.00	430.38	23.66	80.22	326.51	430.38
1991	30.81	5.97	6.75	19.85	24.43	25.16	17.06	80.36	26.26	115 42	13.19	10.44	57.22	432.91	23.57	75.15	334 19	432.81
1992	30.48	6.03	6.68	21.02	25.47	25.07	17 44	83.59	26 75	120.92	13.57	10.34	59 14	446.47	23 48	76.36	346.64	446.47
1993	28.71	5.77	6.16	21.87	25.36	24.89	18.12	88.45	26.75	129.23	13.40	9.52	59.14	457.36	21.63	77.50	358.23	457.38
1994	28.66	5.91	6 25	22.45	25.50	25.34	18.51	90.08	27.05	132.09	13.38	9.10	62 39	466.70	21.66	78 67	366.37	466.70
1995	28.85	6.09	6.39	23 25	25.87	25.98	19.05	92.40	27.54	136.28	13 28	8.74	63 12	476.82	21.86	80.49	374 47	476.82
1996	28.79	6.24	6.48	23.91	26.01	26 42	19.46	94.03	27.83	139.32	13 18	8.40	64 53	484.58	21.88	81 69	381.01	484 58
1997	28 80	6.39	6.60	24.65	26 21	26.91	19.90	95.84	28 18	142.82	13.08	8 05	65.05	492.47	21.94	83.07	387.46	492.47
1998	28.77	6.55	8.71	25.14	26.32	27.34	20.34	97.54	28 51	146.30	13 12	7.74	66.23	500.61	21.98	84.30	394.33	500.61
1999	28.69	6.70	6.81	25.60	26.36	27.72	20.75	99.04	28.79	149.50	13.15	7.51	67.24	507.85	21.97	85.38	400.50	507.85
2000	28.60	6.85	6 90	26.08	26 39	28.10	21.17	100.57	29.08	152.79	13.20	7.25	68.51	515.48	21.96	86.48	407.04	515.48
2001	28.43	6.99	6.98	26.50	26.35	28.40	21.54	101.85	29 30	155.69	13.24	6.99	69.25	521.51	21.89	87.36	412.25	521.51
2002	28.38	7.09	7.08	27.07	26.40	28.72	21.89	102.85	29.52	158.05	13.33	6.99	70.05	527.42	21.91	88.15	417.36	527.42
2003	28.30	7.20	7.18	27.63	26.42	29.02	22.25	103.82	29.74	160.39	13.40	6.99	70.90	533.24	21.91	88.92	422.41	533.24
2004	28.22	7.29	7.28	28 19	26.43	29.31	22.60	104 74	29.95	162.68	13.47	7.00	71.71	538.85	21.90	89.65	427.31	538.85
2005	28.14	7.40	7.37	28 76	26.44	29.62	22.95	105.70	30.17	165.05	13.55	7.00	72.54	544.69	21.89	90.43	432.37	544 69
2006	28.04	7.50	7.47	29.34	26.44	29.91	23.31	106.63	30.39	167.36	13.63	7.00	73.36	550.38	21.87	91.18	437.33	550.38
2007	27.98	7.61	7.57	29 93	26.42	30.22	23.65	107.58	30.61	169.74	13.71	7.00	74.16	556.15	21.85	91.94	442.36	556.15
2008	27.81	7 70	7.65	30.46	26.34	30.45	23.94	108.29	30.78	171 77	13.80	7.00	74 83	560.81	21.79	92 51	446.51	560.81
2009	27.64	7.79	7 72	30 99	26 24	30.68	24.22	108.96	30 93	173 75	13.88	7.00	75.48	565.28	21.71	93.05	450.52	565 28
2010	27 50	7.88	7.80	31.55	26.17	30.93	24.53	109.73	31.11	175.90	13 96	7.00	76.36	570.41	21.64	93 68	455.09	570.41
2011	27 40	7.94	7.85	31.98	25.98	31.12	24.84	110 70	31.35	178 20	14 05	7.00	77.03	575.44	21.62	94 30	459.52	575.44
2012	27.20	7.98	7.86	32.29	25.69	31.19	25.05	111.22	31 47	179.81	14 13	7.00	77.40	578.30	21.50	94 55	462.24	578 30
2013	27.00	8.01	7.88	32.60	25 40	31 26	25.26	111 75	31.59	181.45	14 22	7 00	77.85	581.27	21.38	94 81	465.07	581.27
2014	26.79	8.05	7.89	32.91	25.09	31.31	25.46	112 23	31 71	183 01	14.31	7.00	78.28	584 04	21.26	95 04	467.74	584.04
2015	26 57	8.08	7.89	33.20	24 79	31.36	25.65	112 69	31.82	184 54	14 40	7.01	78.67	586.65	21.13	95.25	470.27	586 65

TABLE 14
TOTAL POPULATION BY AGE COHORTS - MONTANA

1,000s OF PERSONS

YEAR	POP	0-4	05-09	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+	HH	P/HH
1987	700.87	66.98	78.07	77.38	67.02	47.77	38.84	36.99	38.90	42.22	39.32	38.06	34.28	28.81	22.07	18.43	27.91	217.73	3.30
1988	699.93	62.89	76.44	78.48	68.19	48.70	40.60	37.19	37.84	41.07	39.36	38.53	34.58	27.51	22.06	17.88	28.63	215.33	3.25
1989	694.33	59.00	74.21	78.55	68.82	50.11	41.48	37.43	36.64	39.62	38.96	38.75	34.51	28.02	21.92	17.18	29.06	215.79	3.22
1990	897.51	57.39	72.01	78.74	70.88	52.44	42.87	38.01	38.25	38.73	38.73	39.20	34.87	28.65	22.14	16.86	29.74	218.51	3.19
1971	710.98	58.98	69.88	79.27	72.69	57.42	45.11	39.58	36.57	38.64	38.88	38.30	35.37	29.48	22.90	17.09	29.87	224.94	3.16
1972	719.11	59.32	67.19	78.36	74.06	59.11	50.04	41.41	36.90	38.23	38.51	39.42	35.60	30.10	23.63	17.25	30.00	231.49	3.11
1973	726.91	59.44	64.62	77.31	75.27	61.68	52.76	44.35	37.59	37.86	38.31	39.28	35.81	30.70	24.38	17.44	30.12	237.64	3.06
1974	737.68	59.48	62.74	76.49	76.57	64.68	56.25	46.68	38.63	37.67	38.14	38.11	36.15	31.38	25.05	18.09	30.59	244.63	3.02
1975	749.54	59.62	61.91	75.27	77.73	68.00	59.85	48.85	39.72	37.56	38.21	38.78	36.66	32.22	25.63	18.70	30.86	251.36	2.98
1976	758.52	58.71	62.74	72.54	78.31	69.75	64.29	50.24	40.90	37.81	37.89	38.75	36.69	32.77	26.88	19.32	30.85	258.08	2.94
1977	771.49	59.86	63.10	70.20	78.27	71.73	65.47	55.28	42.76	38.52	37.92	38.64	36.87	33.54	27.82	20.10	31.32	266.46	2.90
1978	784.08	61.79	62.98	67.70	77.96	73.47	68.12	57.74	45.76	39.53	37.76	38.66	37.20	34.33	28.38	20.72	31.98	274.93	2.85
1979	789.16	63.64	61.76	64.79	76.59	74.14	70.35	60.21	47.48	40.30	37.15	38.04	37.04	34.72	29.09	21.34	32.53	280.91	2.81
1980	788.69	64.92	60.10	62.69	74.26	73.74	71.57	62.16	48.37	40.65	36.32	37.39	36.53	34.80	29.77	22.13	33.29	285.00	2.77
1981	795.27	67.03	59.15	63.54	71.73	72.70	71.10	65.89	49.08	41.81	38.57	37.40	36.34	35.27	30.37	22.96	34.22	289.00	2.75
1982	803.90	68.87	60.05	63.63	69.08	71.58	70.81	66.57	53.13	43.34	37.41	37.29	36.15	35.78	31.02	23.88	35.31	293.00	2.74
1983	813.95	70.46	61.70	63.44	66.18	70.73	70.26	68.73	55.30	48.19	38.80	36.73	36.66	35.85	31.83	24.55	36.55	296.00	2.75
1984	820.81	71.11	64.03	63.06	64.12	68.93	69.00	70.01	58.52	47.81	39.92	38.27	36.80	36.01	32.37	25.22	37.63	301.00	2.73
1985	822.27	70.93	65.73	62.56	62.95	65.80	67.27	70.56	61.33	48.88	40.51	36.00	36.87	35.85	32.50	25.68	38.84	303.00	2.71
1986	813.71	68.75	66.16	60.15	62.33	61.17	64.94	69.76	64.39	48.98	40.91	35.61	36.39	35.16	32.66	26.05	40.31	302.00	2.69
1987	805.03	66.01	66.30	59.66	60.82	56.55	62.48	69.03	64.25	52.05	41.32	35.83	35.84	34.35	32.75	26.57	41.64	301.00	2.68
1988	800.14	63.44	66.48	60.36	59.28	52.23	60.30	68.12	65.53	53.30	43.04	36.19	34.54	34.26	32.51	27.38	43.20	303.00	2.64
1989	799.60	61.57	66.15	62.00	57.85	49.38	58.23	67.41	66.78	56.26	44.07	36.90	33.89	34.20	32.50	27.94	44.49	305.00	2.62
1990	799.71	59.80	64.87	63.01	57.18	48.10	55.54	66.88	68.04	59.49	44.85	37.32	33.77	34.31	32.42	28.39	45.76	306.64	2.61
1991	807.50	58.30	64.25	64.40	58.07	49.63	52.88	66.16	69.54	63.47	45.78	38.29	33.76	34.45	32.13	28.92	47.47	309.00	2.61
1992	822.27	57.77	63.84	66.35	60.41	51.68	50.86	65.52	70.96	65.12	50.45	39.90	34.50	34.33	31.91	29.43	48.24	316.00	2.60
1993	838.97	58.87	65.10	67.72	61.67	52.70	51.84	66.77	72.48	66.41	51.53	40.72	35.24	35.02	32.61	30.01	50.28	320.00	2.62
1994	845.53	58.72	63.60	68.55	62.45	53.93	51.06	65.36	72.71	67.50	54.04	43.19	36.06	34.14	32.73	29.91	51.59	325.48	2.60
1995	851.85	58.55	62.37	68.74	63.08	55.43	50.36	63.71	71.94	69.25	57.17	45.22	37.03	33.40	32.67	29.84	53.12	331.04	2.57
1996	857.95	58.02	61.93	67.85	64.65	56.53	51.21	60.84	71.87	70.28	60.81	46.44	37.87	32.88	32.57	29.58	54.62	336.52	2.55
1997	863.99	57.96	61.72	66.83	65.55	56.23	53.11	59.25	70.98	71.09	64.10	47.91	38.65	32.99	32.22	29.20	56.21	342.00	2.53
1998	870.20	57.95	61.38	65.54	66.52	56.82	54.81	57.52	69.55	71.75	64.31	52.60	39.93	33.40	31.55	28.87	57.71	346.75	2.51
1999	876.33	57.97	60.77	64.26	67.65	57.88	56.26	55.63	67.84	72.18	65.82	54.88	42.69	34.00	30.74	28.85	58.92	351.38	2.49
2000	882.40	57.03	58.84	63.31	67.21	61.23	57.37	53.89	62.69	71.94	68.66	60.76	45.69	35.34	29.49	28.13	60.83	357.64	2.47
2001	888.19	57.40	59.20	63.67	67.64	61.65	57.77	54.21	63.05	72.42	69.15	61.16	46.00	35.59	29.71	28.32	61.24	360.03	2.47
2002	894.03	57.72	59.15	63.48	66.63	62.44	57.48	56.19	61.39	71.43	69.92	64.44	47.45	36.35	29.82	28.04	62.05	363.93	2.46
2003	899.81	58.15	59.13	63.11	65.33	63.31	58.06	57.92	59.56	70.00	70.51	64.64	52.09	37.56	30.19	27.45	62.82	367.92	2.45
2004	905.58	58.64	59.13	62.48	64.04	64.30	59.11	59.41	57.59	68.22	70.91	66.12	54.34	40.17	30.73	26.74	63.63	371.95	2.44
2005	911.30	59.43	58.18	60.50	63.06	63.82	62.42	60.59	55.77	62.88	70.63	68.94	60.14	42.99	31.92	25.67	64.26	378.00	2.41
2006	916.92	59.80	58.56	60.85	63.39	64.20	62.84	60.97	56.07	63.33	71.06	69.40	60.48	43.28	32.14	25.84	64.69	380.35	2.41
2007	922.68	60.25	58.87	60.77	63.20	63.22	63.62	60.67	58.09	61.65	70.11	70.14	63.69	44.65	32.84	25.95	64.96	383.80	2.40
2008	928.51	60.79	59.32	60.73	62.85	61.96	64.46	61.27	59.86	59.80	68.64	70.71	63.87	49.04	33.96	26.30	64.97	387.25	2.40
2009	934.44	61.43	59.79	60.72	62.24	60.71	65.44	62.35	61.38	57.82	66.87	71.08	65.33	51.21	36.35	26.79	64.91	390.77	2.39
2010	940.40	62.55	60.57	59.71	60.29	59.66	64.92	65.74	62.57	55.95	61.69	70.74	68.08	56.68	38.92	27.87	64.45	394.70	2.38
2011	946.64	62.96	60.99	60.12	60.67	60.02	65.35	66.22	63.00	56.28	62.05	71.20	68.56	57.04	39.20	28.07	64.91	397.30	2.38
2012	953.01	63.25	61.51	60.50	60.65	59.89	64.40	67.08	62.74	58.35	60.44	70.29	68.31	60.09	40.51	28.75	65.24	400.11	2.38
2013	959.44	63.56	62.12	60.99	60.66	59.61	63.18	68.01	63.41	60.18	58.65	68.86	69.92	60.36	44.59	29.78	65.56	403.03	2.38
2014	965.98	63.93	62.82	61.52	60.70	59.07	61.95	69.09	64.55	61.76	56.74	67.14	70.33	61.81	46.64	31.97	65.97	405.97	2.38
2015	972.57	64.19	64.05	62.36	59.79	57.32	60.87	68.62	68.06	63.02	54.94	62.02	70.05	64.52	51.71	34.32	66.73	409.16	2.38

TABLE 15
MALE POPULATION BY AGE COHORTS - MONTANA

1,000s OF PERSONS

YEAR	POP	0-4	05-09	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
1967	351.69	34.07	39.80	39.14	33.68	23.42	19.37	18.45	19.48	21.17	18.96	19.37	17.42	13.68	10.92	8.88	12.81
1968	350.59	32.04	39.03	38.65	34.39	23.87	20.26	18.49	18.87	20.58	19.83	19.53	17.47	14.09	10.89	8.45	13.04
1969	347.08	30.07	37.82	38.69	34.71	24.65	20.74	18.52	18.15	19.85	19.72	19.53	17.37	14.34	10.80	8.01	13.03
1970	348.57	29.29	36.84	39.79	35.77	26.00	21.53	18.83	17.86	19.41	19.56	19.65	17.51	14.66	10.87	7.75	13.15
1971	355.67	30.12	35.74	40.10	36.81	28.81	22.76	19.77	18.17	19.38	19.58	19.89	17.72	14.96	11.33	7.89	12.88
1972	360.12	30.33	34.35	39.67	37.57	30.02	25.36	20.86	18.39	19.20	19.36	19.74	17.79	15.13	11.76	8.02	12.60
1973	364.16	30.41	33.03	39.19	38.24	31.46	26.82	22.49	18.79	19.01	19.26	19.65	17.85	15.30	12.20	8.15	12.33
1974	369.25	30.45	32.04	38.83	38.92	32.99	28.82	23.76	19.32	18.91	19.14	19.58	17.88	15.52	12.42	8.44	12.35
1975	374.94	30.55	31.62	38.24	39.53	34.65	30.49	24.98	19.90	18.84	19.18	18.36	18.20	15.81	12.59	8.73	12.26
1976	379.30	30.08	32.06	38.88	39.86	35.49	32.86	25.74	20.56	18.86	19.09	19.30	18.20	16.06	13.02	9.07	12.16
1977	385.64	30.70	32.28	35.70	40.06	36.34	33.18	28.36	21.57	19.32	19.06	19.20	18.32	16.43	13.39	9.50	12.23
1978	391.81	31.72	32.22	34.45	40.07	37.11	34.42	29.65	23.14	19.83	18.86	19.20	18.41	16.80	13.62	8.72	12.48
1979	394.17	32.66	31.63	32.99	39.54	37.37	35.49	30.95	24.08	20.22	18.64	18.88	18.31	16.98	13.88	8.94	12.61
1980	393.58	33.33	30.82	31.97	38.38	37.08	36.04	31.91	24.55	20.40	18.22	18.56	18.03	17.01	14.19	10.25	12.87
1981	396.46	34.41	30.34	32.44	37.04	36.53	35.76	33.66	24.87	21.07	18.37	18.58	17.88	17.26	14.48	10.54	13.23
1982	400.42	35.34	30.81	32.53	35.65	35.95	35.55	33.84	26.89	21.85	18.83	18.55	17.76	17.51	14.78	10.88	13.70
1983	405.02	36.16	31.66	32.48	34.18	35.53	35.23	34.76	27.90	23.33	19.56	18.27	18.01	17.53	15.14	11.15	14.13
1984	408.04	36.50	32.85	32.34	33.11	34.63	34.53	35.24	29.46	24.18	20.15	18.07	18.09	17.60	15.37	11.43	14.51
1985	408.32	36.41	33.71	32.12	32.54	33.06	33.59	35.35	30.84	24.79	20.47	17.92	18.15	17.50	15.38	11.60	14.90
1986	403.71	35.28	33.91	30.90	32.23	30.78	32.37	34.79	32.36	24.90	20.69	17.74	17.82	17.12	15.47	11.79	15.45
1987	399.11	33.88	33.97	30.68	31.48	28.49	31.08	34.28	32.26	26.51	20.93	17.76	17.55	16.71	15.56	12.05	15.94
1988	396.39	32.55	34.06	31.07	30.68	26.37	29.92	33.66	32.87	27.20	21.84	18.05	17.00	16.68	15.44	12.42	16.59
1989	396.20	31.59	33.88	31.94	29.97	25.02	28.87	33.15	33.49	28.82	22.38	18.41	16.68	16.67	15.49	12.68	17.15
1990	396.16	30.69	33.23	32.46	29.63	24.42	27.47	32.76	34.10	30.54	22.80	18.81	16.61	16.78	15.49	12.90	17.70
1991	400.31	29.91	32.91	33.19	30.07	25.18	26.18	32.45	34.91	32.62	23.26	19.10	16.62	16.90	15.37	13.16	18.48
1992	407.86	29.65	32.71	34.19	31.29	26.18	25.17	32.15	35.66	33.45	25.67	19.91	17.00	16.88	15.28	13.38	19.29
1993	416.15	30.22	33.37	34.89	31.94	26.71	25.64	32.78	36.44	34.10	26.22	20.33	17.36	17.22	15.62	13.64	19.69
1994	419.32	30.14	32.60	35.28	32.32	27.41	25.32	32.12	36.40	34.47	27.53	21.64	17.78	16.76	15.68	13.66	20.21
1995	422.36	30.03	31.97	35.34	32.64	28.28	25.07	31.32	35.83	35.18	29.18	22.74	18.26	16.38	15.69	13.67	20.77
1996	425.27	29.75	31.75	34.86	33.42	28.95	25.63	29.93	35.58	35.53	31.06	23.39	18.70	16.06	15.71	13.62	21.33
1997	428.17	29.70	31.65	34.33	33.79	28.88	26.71	29.22	35.08	35.75	32.64	24.17	19.14	16.11	15.55	13.44	22.01
1998	431.18	29.69	31.47	33.65	34.23	29.25	27.71	28.42	34.31	35.90	32.64	28.61	19.83	16.31	15.24	13.30	22.63
1999	434.16	29.69	31.15	32.97	34.77	29.83	28.55	27.59	33.38	35.94	33.30	27.81	21.28	16.63	14.82	13.35	23.11
2000	437.06	29.21	30.14	32.45	34.48	31.61	29.29	26.93	30.72	35.41	34.54	30.91	22.86	17.27	14.16	13.21	23.88
2001	439.93	29.40	30.33	32.64	34.71	31.82	29.49	27.08	30.88	35.66	34.79	31.10	23.02	17.40	14.26	13.30	24.04
2002	442.77	29.56	30.29	32.54	34.18	32.15	29.44	28.20	30.13	35.13	34.98	32.67	23.78	17.82	14.33	13.19	24.37
2003	445.62	29.78	30.27	32.36	33.49	32.53	29.79	29.23	29.28	34.32	35.10	32.66	26.19	18.47	14.51	12.93	24.69
2004	448.46	30.03	30.27	32.02	32.81	33.01	30.38	30.08	28.41	33.38	35.11	33.30	27.38	19.83	14.80	12.58	25.07
2005	451.27	30.44	29.78	30.98	32.27	32.69	32.12	30.87	27.73	30.67	34.58	34.53	30.41	21.32	15.37	12.05	25.45
2006	454.03	30.63	29.97	31.17	32.44	32.89	32.33	31.07	27.87	30.83	34.79	34.76	30.59	21.46	15.49	12.12	25.63
2007	456.88	30.86	30.13	31.12	32.35	32.38	32.66	30.99	29.02	30.08	34.26	34.94	32.11	22.17	15.87	12.19	25.75
2008	459.79	31.14	30.36	31.08	32.17	31.72	33.03	31.37	30.05	29.22	33.47	35.04	32.09	24.44	16.47	12.37	25.77
2009	462.72	31.47	30.60	31.08	31.85	31.06	33.50	31.97	30.93	28.35	32.53	35.04	32.71	25.58	17.70	12.63	25.73
2010	465.69	32.05	31.00	30.56	30.84	30.49	33.17	33.75	31.72	27.65	29.87	34.48	33.91	28.42	19.04	13.15	25.60
2011	468.77	32.25	31.22	30.77	31.03	30.68	33.39	33.99	31.95	27.80	30.03	34.71	34.15	28.60	19.18	13.25	25.78
2012	471.93	32.40	31.49	30.97	31.01	30.62	32.90	34.36	31.90	28.97	29.32	34.20	34.33	30.04	19.86	13.62	25.97
2013	475.11	32.56	31.80	31.22	31.01	30.47	32.26	34.77	32.31	30.03	28.50	33.42	34.45	30.07	21.94	14.16	26.14
2014	478.38	32.75	32.16	31.49	31.02	30.20	31.61	35.28	32.94	30.93	27.67	32.51	34.48	30.70	23.01	15.27	26.37
2015	481.65	32.89	32.79	31.92	30.56	29.28	31.03	34.98	34.79	31.77	27.00	29.90	33.95	31.89	25.62	16.49	26.83

TABLE 16
FEMALE POPULATION BY AGE COHORTS - MONTANA

1,000s OF PERSONS

YEAR	POP	0-4	05-09	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
1987	349.18	32.91	38.27	38.24	33.34	24.36	19 47	18.54	19.44	21.05	19.36	18.69	18.87	12.93	11.15	9.58	15.00
1988	349.34	30.85	37.40	38.83	33.80	24.83	20.34	18.70	18.98	20.49	19.44	19.01	17.08	13.41	11.17	9.43	15.59
1989	347.26	28.93	36.30	38.85	34.20	25.47	20.72	18.91	18.48	19.78	19.24	19.23	17.14	13.68	11.13	9.17	16.03
1970	348.94	28.10	35.17	38.95	35.11	26.44	21.34	19.18	18.29	18.32	19.18	18.55	17.38	13.99	11.28	9.11	16.59
1971	355.32	28.84	34.14	39.17	35.88	28.61	22.35	19.81	18.41	18.26	18.31	19.61	17.65	14.53	11.58	9.17	17.00
1972	358.98	28.98	32.84	38.69	36.49	29.09	24 69	20.55	18.52	18.03	19.15	19.68	17.82	14.96	11.87	9.23	17.40
1973	362.76	29.03	31.60	38.12	37.02	30 22	25.94	21.85	18.81	18.85	19.05	19.63	17.96	15.40	12.18	9.29	17.80
1974	388.43	29.02	30.69	37.66	37.85	31.69	27.84	22.90	18.31	18.76	19.00	18.55	18.17	15.87	12.63	9.65	18.24
1975	374.60	29.07	30.29	37.03	38.20	33.35	29.36	23.87	19.82	18.72	19.03	19.39	18.46	18.41	13.03	9.97	18.60
1976	379.22	28.62	30.67	35.66	38.35	34.26	31.62	24.50	20.34	18.84	18.90	19.45	18.49	18.71	13.87	10.25	18.89
1977	385.85	29.16	30.82	34.50	38.21	35.39	32.30	26.92	21.18	19.20	18.86	19.44	18.65	17.11	14.43	10.58	19.09
1978	392.27	30.08	30.76	33.24	37.89	36.36	33 70	28.08	22.62	19.71	18.80	19.46	18.79	17.53	14.75	11.01	19.51
1979	394.99	30.97	30.13	31.80	37.05	36.77	34.86	29 26	23.40	20.08	18.51	18.16	18.73	17.74	15.21	11.40	19.92
1980	395.10	31.59	29.28	30.73	35.88	36.68	35.53	30.25	23.82	20.25	18.10	18.83	18.50	17.79	15.58	11.89	20.42
1981	398.81	32.62	28.82	31.10	34.69	36.17	35.34	32.23	24.21	20.84	18.20	18.82	18.46	18.01	15.89	12.41	21.00
1982	403.48	33.53	29.24	31.10	33.43	35.83	35 26	32.74	26.24	21.50	18.58	18.74	18.39	18.27	16.24	13.00	21.60
1983	408.83	34 31	30.04	30.98	32.00	35.20	35.03	33.87	27.40	22.86	19.24	18.45	18.65	18.32	16.68	13.40	22.42
1984	412.77	34 62	31.19	30.72	31.01	34.30	34.47	34.77	29.07	23.62	19.77	18.21	18.71	18.41	17.00	13 78	23.12
1985	413.84	34 52	32.03	30.44	30.42	32.74	33.68	35 21	30.48	24.10	20.04	18.07	18 72	18.36	17.12	14 08	23.94
1986	410.00	33.46	32.25	29.25	30.10	30.39	32.57	34.97	32.03	24.09	20.21	17.87	18.47	18.04	17.18	14 26	24.86
1987	405.92	32.13	32.33	28.98	29.35	28.06	31.40	34.75	31.99	25.54	20.38	17.86	18.09	17.64	17.19	14.52	25.70
1988	403.76	30.89	32.42	29.29	28.60	25.86	30.38	34.46	32.66	26.10	21.20	18.14	17.54	17.58	17.07	14.96	26.62
1989	403.41	29.98	32.27	30.06	27.88	24 36	29.38	34.28	33.30	27.45	21.88	18.49	17.21	17.52	17.01	15.25	27.34
1990	403.54	29.11	31.64	30.55	27.55	23.68	28.06	34.12	33.94	28.95	22.05	18.71	17.16	17.53	16.93	15.50	28.06
1991	407.19	28.38	31.33	31.22	28.00	24 45	26.70	33.71	34 64	30.85	22.52	19.19	17.14	17.56	16.77	15.76	29.00
1992	414.42	28.13	31.13	32.16	29.12	25.50	25.89	33 38	35.31	31.67	24.78	19.99	17.50	17.45	16.63	16.05	29.95
1993	422.82	28.65	31.74	32.83	29.73	26.00	26.21	33.99	36.06	32.31	25.31	20.39	17.88	17.80	16.98	16.38	30.58
1994	426.22	28.58	31.00	33.27	30.13	26.52	25.74	33 24	36.31	33.03	26.52	21.55	18.29	17.38	17.05	16.26	31.37
1995	429.50	28.52	30.40	33.39	30.44	27.14	25.29	32.39	36.11	34.08	27.99	22.48	18.77	17 02	16.98	16.18	32.35
1996	432.88	28.28	30.18	33.00	31.24	27.58	25.59	30.91	36.28	34.75	29.75	23.05	19.16	16.82	16.86	15.96	33.29
1997	435.83	28.26	30.08	32.50	31.76	27.35	26.40	30.03	35.90	35.34	31.45	23.74	19.51	16.88	16.67	15.76	34.20
1998	439.02	28.26	29.91	31.89	32.29	27.58	27 10	29 10	35.24	35.85	31.67	25.99	20.10	17.08	16.31	15.57	35.08
1999	442.17	28.27	28.62	31.29	32.88	28.05	27.72	28.05	34.46	36.24	32.53	27.06	21.41	17.37	15.92	15.50	35.81
2000	445.34	27.82	28.70	30.88	32.73	29.62	28 08	26.97	31.98	36.53	34.12	29.86	22.83	18.07	15.33	14.92	36.96
2001	448.26	28.00	28.88	31.03	32.93	29.83	28.28	27.13	32.17	36.76	34.36	30.06	22.98	18.18	15.45	15.02	37.20
2002	451.26	28.16	28.88	30.94	32.45	30.29	28.05	27.98	31.26	36.36	34.94	31.76	23.67	18.53	15.48	14.85	37.68
2003	454.19	28.37	28 86	30 75	31.83	30.78	28 27	28.70	30.27	35.67	35.41	31.98	25.80	19.09	15.68	14 52	38.13
2004	457.11	28.61	28.86	30.46	31.23	31.30	28.73	29.33	29.18	34.85	35.80	32.82	26.96	20.34	15.83	14.16	38.56
2005	460.03	28.89	28.40	29.51	30.79	31.13	30.30	29.72	28.04	32.31	36.05	34.42	28.72	21.67	16.55	13.62	38.81
2006	462.89	29.17	28.59	29.68	30.95	31.31	30.51	29.90	28.20	32.51	36.26	34.64	29.91	21.82	16.66	13.72	39.06
2007	465.80	29.39	28.74	29.68	30.85	30.84	30.96	29.67	29.07	31.57	35.84	35.20	31.58	22.47	16.97	13.76	39.21
2008	468.72	29.65	28.96	29.64	30.68	30.24	31.43	29 90	29.81	30.58	35.17	35.67	31.78	24.60	17 49	13.93	39.21
2009	471.72	29.96	29.19	29.64	30.39	29.65	31.94	30.39	30.46	29 47	34.35	36.04	32.62	25.63	18.65	14 16	39.18
2010	474.71	30.51	29.57	29.15	29.45	29.17	31.76	31.99	30.85	28.31	31.82	36.27	34.18	28.26	19.88	14.72	38.85
2011	477.86	30.71	29.78	29.35	29.64	29.34	31.96	32.23	31.06	28.48	32.02	36.49	34.41	28.44	20.02	14.82	39.13
2012	481.08	30.85	30.03	29.54	29.64	29.27	31.50	32.73	30.84	28.38	31.12	36.10	34.98	30.05	20.65	15.13	39.28
2013	484.33	31.00	30.32	29.77	29.65	29.14	30.92	33.25	31.10	30.16	30.15	35.43	35.47	30.29	22.66	15.62	39.42
2014	487.60	31.18	30.66	30.03	29.68	28.88	30.34	33.81	31.61	30.83	29.07	34.63	35.85	31.11	23.63	16.69	39.60
2015	490.92	31.31	31.26	30.44	29.23	28.04	29.84	33.65	33.28	31.26	27.94	32.12	36.10	32.64	26.09	17.84	39.90

V. PRIORITY NEEDS, OBJECTIVES, AND STRATEGIES

Analysis of community needs, whether homelessness, infrastructure, economic development, or housing has been articulated, refined, and enunciated rather clearly over the years. Each of these needs has been embodied in the implementation of the state housing and community development programs. The program guidelines recognize that the degree of need in the state is far larger than available resources can address.

Consequently, program implementation for HOME and CDBG is based on a competitive ranking process, with prospective projects competing for a limited resource pool. The competitive ranking of projects has been demonstrated to be the most workable solution for the State of Montana. Needs articulated within the Consolidated Plan are simply the sum of a fast array of needs identified by local communities. These needs fall into several categories: homelessness, affordable housing, and nonhousing which includes infrastructure and economic development).

Following is a listing of the priority needs and the strategies and actions to meet those needs over a five year period.

HOUSING PRIORITY NEEDS

A. LONG TERM HOMELESSNESS PRIORITY NEEDS

All homeless program resources and proposed activities will be provided equitably throughout the state, to the extent possible, and according to public guidelines set forth by local, state, and federal agencies. CPS Table 2(a), below, presents quantitative measures of anticipated homeless needs in Montana over the five-year planning horizon. Unfortunately, resources available for these needs are woefully limited. Therefore, Montana will blend its homelessness activities within an overall context of an Anti-Poverty Program and a range of services for assisting the homeless.

STRATEGIC ACTION DISCUSSION

OBJECTIVE: FURTHER THE PREVENTION OF HOMELESSNESS

Homelessness continues to grow. With several areas experiencing very high rates of unemployment and continuing low wage rates, and some industries experiencing difficult or adverse economic conditions, homelessness may continue to threaten many Montana citizens. Actions need to be taken to prevent others from becoming homeless.

CPS TABLE 2(a)
HOMELESS PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA FIVE YEAR PLAN - 1995 - 1999

PRIORITY HOMELESS NEEDS	Priority Need Level High, Medium, Low, No such need			ESTIMATED DOLLARS NEEDED TO ADDRESS	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS IN FY 1996
Assessment/Outreach	Families	Individuals	Persons w/ Special Needs		
	M	M	M	2,099,000	
Emergency Shelter	Families	Individuals	Persons w/ Special Needs		
	M	M	M	2,099,000	
Transitional Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	2,099,000	
Permanent Supportive Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	2,099,000	
Permanent Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	2,099,000	
TOTAL PRIORITY HOMELESS NEEDS	M	M	M	$10,495,000	$380,000

B. LONG TERM AFFORDABLE HOUSING PRIORITY NEEDS

1. CLASSIFICATION OF MONTANA'S HOUSING REQUIREMENTS

Housing needs across Montana vary widely. Extreme diversity in available housing, age of housing stock, and overall range in population density complicate assessments of degree and type of need. There is a broad array of housing availability, affordability, and suitability problems across Montana. Simply treating the symptoms will not be sufficient to solve the problems. Resources are not adequate to deal with all housing needs and requirements plaguing the state.

Difficulties are becoming more structural for low-income households and families and have spread to nearly all income groups, except the wealthy. Regardless of the overwhelming demand for affordable housing, Montana will be implementing programs and delivering services to in-need populations around the state, attempting to continue a process that minimizes the state's housing problems. The general goals are to:

- Expand the supply of decent and affordable housing, particularly rental housing, for low- and very low-income Montanans. This includes making existing rental housing affordable through tenant-based rental assistance.

- Strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing for all Montanans.

- Provide both financial and technical assistance to local government and nonprofit entities, including the development of model programs for affordable low-income housing.

- Extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

With these broad-based goals in mind, Montana anticipates supporting any and all programs that address housing needs throughout the state. These needs can be classed as four categorical difficulties -- availability, affordability, accessibility, and suitability -- as reviewed below.

a. INSUFFICIENT HOUSING AVAILABILITY

Lack of available housing is a problem that requires resolution; little is available for low- and moderate-income Montanans in most parts of the state. If housing is available, it tends to be of substandard quality. Since the 1990 Census, Montana's major cities have experienced a dramatic increase in population that is driving up the demand for housing; prices are following demand accordingly; statewide, the population has risen 7 percent, with some local areas experiencing far greater increases.

In cities such as Kalispell, Missoula, Bozeman, Helena, and Billings, in-migration is often comprised of higher income persons who are in a better position to purchase land and buildings than many current state residents. Of those Montanans who can afford housing, many resign themselves to acquiring lower-quality shelter due to the encroaching housing shortage. Low-income Montanans lose housing options. People fear becoming homeless because they can no longer afford housing in their area, whether rented or owned. The homes currently being constructed are the more expensive, up-scale homes. Little, if any, construction activity has created affordable priced homes and rental property in the last several years. Section 8 waiting lists administered by the state contain 8,200 families.

b. ABSENCE OF HOUSING AFFORDABILITY

Housing affordability varies widely around the state, but is typically more severe in the urbanized areas. Rural and sparsely populated regions of Montana tend to experience dual problems with housing shortages and poor housing quality. Because of the tight market and general lack of home building, prices for both houses and rental units have risen sharply.

There is a large gap between what the market is supplying and what people can afford. Some Section 8 landlords are simply leaving the program in favor of the private rental market, which provides wider profit margins, citing HUD limitations on rent increases (.4% per year) and the lower FMRs in the vouchers and certificates as the reason for the switch.

c. INADEQUATE HOUSING SUITABILITY

A major problem pertains to the structural and physical integrity of the housing stock. Many people who live in their own homes do not have incomes high enough to maintain them. Physical deficiencies are of great concern in many housing units across the state. A portion of the housing stock is 100 years old and built on stone or timber foundations. Many structures also tend to have old, inadequate electrical wiring and gas vented chimneys used for wood stoves. Most older homes are poorly insulated. Particularly troubling for the large stock of Montana's older homes is the prospective risk of lead-based paint hazards. Nearly two-thirds of Montana's housing stock could be affected; low-income renters are at greatest risk.

Lack of return on investment is a major problem for landlords of housing units that need rehabilitation. Landlords do not want to lose their present tenants, but are also reluctant to borrow money and incur debt when they cannot afford to evict tenants or raise the rents to meet the increased debt service.

d. LACK OF HOUSING ACCESSIBILITY

Under the Americans with Disabilities Act, housing accessibility has become a visible need across the state. Accessibility is a problem unless a unit is specifically built for people with disabilities. Modifications are often difficult and expensive, and must be completely removed when the tenant leaves (according to the ADA). Most people with disabilities cannot afford to do this, and landlords do not want the inconvenience or cost of constant remodeling.

2. OBJECTIVES TO ENHANCING THE PROVISION OF AFFORDABLE HOUSING

While all housing difficulties fall into one (or more) of the four problem areas described above, the exact circumstances faced by Montana's communities are as diverse and widespread as the state's geography. A combination of population in-migration, intrastate migration, and an economy undergoing structural change has had a dire effect on Montana's housing situation. Since the 1990 Census was taken, the cost of housing has risen dramatically; available, affordable housing for the very low-income, low-income, and moderate-income population has disappeared in many areas of the state. In other parts of the state, existing vacant housing needs maintenance, causing an overall decline in the suitability and quality of housing. No single prescriptive approach to solving Montana's housing problems is applicable on a statewide level. Therefore, Montana's statewide strategy is designed to fully encompass the four problem areas and is comprised of many interlocking pieces. These pieces are listed below, with each summarized immediately thereafter.

- Relieve the shortage of available housing stock;
- Increase the stock of rental units, especially assisted units;
- Promote capital formation to build an adequate number of affordable housing units;
- Increase the ability of low- and moderate-income households to buy homes;
- Increase resources to finance housing maintenance and improvements;
- Simplify housing assistance programs;
- Work to ensure fair housing compliance, especially enhancing the understanding of fair housing laws;
- Assist in securing adequate resources to meet the needs of persons requiring supportive and transitional services that help them acquire permanent housing;
- Increase accessibility of Montana's housing stock for the disabled;
- Increase energy efficiency of Montana's low-income housing stock;
- Secure funding for testing and abatement of lead-based paint hazards

- Assist in further preventing homelessness;
- Assist in securing additional funding and resources to increase capacity and counseling services for runaway youth; and
- Increase ability of MDOC to respond to requests for technical assistance.

OBJECTIVE: RELIEVE SHORTAGE OF AVAILABLE HOUSING STOCK

There is a lack of housing in Montana. The problem is especially severe for the low- and moderate-income population, particularly in the western portion of the state and the more urban areas. The long-term and newly poor, the elderly, disabled, families, and young singles all face a lack of affordable housing and shelter. A large need appears to be for low- and moderate-income families. This demand has been met with little corresponding increase in housing stock (or rather, suitable housing stock) in the state, with the exception of newly constructed "high-end" housing.

Vacancy rates statewide average from 3 percent in some of the rural areas to zero in many urban areas, with long waiting lists the norm. Because of the shortage of all types of housing, landlords can rent their units for much higher prices. The level of demand caused by people moving into Montana from other states tends to push prices beyond the means of the low-income population. The deinstitutionalization of mentally disabled people, an increasing number of elderly people who can no longer maintain their own homes, and low-income people displaced by those who can afford to pay higher rents are exacerbating the problem.

Housing officials surveyed statewide have expressed the opinion that developers have no incentive to build the kinds of housing needed to ease the housing problem in Montana. There is inadequate return on a builder's investment in low-income housing and a lack of zoned space for multifamily dwellings. There is also a shortage of land subdivided and ready to build on, and a severe lack of mobile home spaces.

ACTIONS

New construction of affordable to low- and moderate-income houses must be initiated. Montana needs multifamily dwellings and additional public housing. Rehabilitation programs to keep existing stock from deteriorating and MDOC maintenance programs to help the elderly must be continued. State-funded housing programs need to continue expanding to help build housing and provide state matches for federal programs. MDOC intends to facilitate a cooperative effort among lenders, local housing authorities, and service organizations to develop cohesive packages to compete for housing program funds. Incentives to builders will be examined. Programs such as the Low Income Housing Tax Credit Program and the Single Family and Multifamily Bond programs will be further encouraged.

OBJECTIVE: INCREASE STOCK OF RENTAL UNITS, ESPECIALLY ASSISTED UNITS

Public Housing Authorities (PHAs) in Montana have not been able to keep up with the demand for affordable, rental housing for low-income persons. Waiting lists in the major cities are extremely long, especially for families. State-administered Section 8 waiting list is anticipated to jump to 10,000

people within the next two years. Every administrator of Section 8 subsidies in the state reports growing waiting lists for family housing.

ACTIONS

More affordable multifamily rental housing must be created. MDOC will work to facilitate rental housing programs that are directed toward the development of new units and rehabilitation of existing unsuitable units.

OBJECTIVE: PROMOTE CAPITAL FORMATION TO BUILD AFFORDABLE HOUSING

There has been little new affordable housing construction or rehabilitation of existing affordable housing units in recent years. HUD noted in its June 1991 report entitled *A HUD Perspective of Montana* that a portion of this problem relates to capital scarcity:

> There is little new development of apartments in the state. Refinancing of existing projects is also slow because of low market value and constrictive underwriting requirements for available programs. Importation of capital into Montana via conventional sources is scarce. Local lenders shy away from lending on government projects because of their size and the lenders' lack of knowledge about HUD programs.
>
> Further, the 1986 Federal Tax Reform Act eliminated a number of investment incentives including the provisions effecting capital gains exclusions, accelerated depreciation and passive income issues. For example, the investment tax credit for the rehabilitation of older buildings for income purposes including multifamily housing has been severely impacted. The Montana State Historic Preservation Office, which manages the program, notes that the number of projects has diminished sharply since 1986.
>
> Often real estate development financing is derived through the use of limited partnerships. The investment incentives for limited partnerships were all but eliminated through provisions in the 1986 Act. This has resulted in the development of fewer multifamily units aimed at benefiting low-income Montanans. According to the Montana Building Industry Association, the loss of federal tax incentives associated with multifamily construction in 1986 is now resulting in a serious rental housing shortage in a number of Montana jurisdictions.
>
> Some areas of the state cited higher "outside" costs as a contributing factor to the lack of development of multifamily units. These include infrastructure development, service hook-ups, and compliance with various local land use regulations. However, all agreed that the overriding issue has been the loss of important federal incentives that guarantee an adequate rate of return for the development of multifamily housing.
>
> In many areas, especially those where there is a high demand for all types of rental housing (college communities, tourism communities, and communities that offer regional medical and social services), housing officials noted that fair market rents under the Section 8 program were too low to be of interest to private developers.

The FY 1995 lowering of HUD Fair Market Rents (FMRs) is making this situation worse. The change by HUD in FY 1995 to have FMRs reflect 40th percentile rent rather than the current 45th percentile rent compounds this problem.

ACTIONS

Since the U.S. Congress made the Low Income Housing Tax Credit permanent, MDOC is in a better position to provide information to investors for the purposes of helping them to develop affordable housing.

Also, recent legislation (SB 215) passed by the Montana legislature allows a county or municipality to donate tax deed land to nonprofit corporations for the construction of affordable residential housing. These resources must now be located and encouraged for the development of affordable housing units. Private developers need to be assured of an adequate return on their investment.

OBJECTIVE: INCREASE ABILITY OF LOW- AND MODERATE-INCOME HOUSEHOLDS TO BUY HOMES

Many low-income families currently living in rental housing would like to move into a home. The monthly mortgage payment may be lower than rental costs in a nonsubsidized unit, but many people lack sufficient funds for the down payment and closing costs. A second complication relates to the type of housing selected by the lower income household. In order to qualify for participation in various programs (e.g., Montana Board of Housing, FHA, VA) the house itself must be qualified. Some of the available housing is too high-priced to qualify for Board of Housing or federal programs. Buyers are having difficulty finding a qualified house that they can afford.

ACTIONS

The recently established HOME Program is providing new sources of funds to assist first-time homebuyers in securing affordable housing. MDOC will continue to efficiently administer this program.

OBJECTIVE: INCREASE RESOURCES TO FINANCE HOUSING MAINTENANCE AND IMPROVEMENTS

Funding is limited for improvements to homes and rental units, especially for elderly persons, persons who require special modifications for disabled access, those experiencing high energy costs, and for people living in homes that are in violation of building codes. This violates Montana's policy of securing a suitable housing stock.

ACTIONS

Homeowners, renters, and landlords need education programs that teach them how to recognize seemingly small problems that need attention and how to repair them. Many lack proper understanding of available programs such as the Board of Housing's Reverse Annuity Mortgage Program. This program allows senior citizens to tap into their home equity to secure resources for maintenance.[58] Long-term housing rehabilitation loan funds could be made available through other avenues as well. All these should be made available to low-income households.

The state could identify programs to assist elderly persons who wish to stay in their own homes, including community projects that employ persons to make needed repairs. CDBG funds may be used to leverage private dollars to establish revolving loan/grant funds. Under such a program, public

[58] Unfortunately, there appears to be some reluctance on the part of the elderly to complete their applications in the Reverse Annuity Mortgage Program. The reasons for this are not entirely clear, but there appears to be some correlation of incomplete applications and descendants living relatively nearby.

and private funds could be made available to senior homeowners for repairs. As with the Reverse Annuity Program, the loan would be repaid when the house was sold.

OBJECTIVE: SIMPLIFY HOUSING ASSISTANCE PROGRAMS

Paperwork and documentation requirements for federal housing assistance programs are complex, detailed, and stringent, and personnel available for such activities are very limited. Perceptions are that rules, regulations, and available funds are too program-specific and difficult to properly target. Due to federal laws and requirements, most housing programs are run as separate, categorical programs with no comprehensive mechanism to combine programs to fit client's varied needs.

ACTIONS

MDOC will encourage agencies to coordinate program implementation efforts and pool their resources. The MDOC Housing Information Clearinghouse will include all active programs in the state and federal government, all housing assistance facilities, and will include contact names and program descriptions. This process will encourage a single-source information data base that Montanans may access upon request.

MDOC will continue working to provide simpler program access and administrative procedures for the housing programs it administers. The CPS process is intended to bring federal, state, and local governments together with citizens and the private sector to help develop a coordinated state housing plan. MDOC will also work toward a consistent and comprehensive planning process that helps to eliminate the wide number of housing options.

OBJECTIVE: WORK TO ENSURE FAIR HOUSING COMPLIANCE

With rental units full and tenants experiencing difficulty locating suitable housing, it has become easier to discriminate against the poor, the physically disabled, the mentally disabled, Native Americans, the elderly, and other minority groups. The State of Montana has taken measures to educate the public on fair housing and to enforce fair housing practices.

ACTIONS

The State believes that education and enforcement are necessary in order to achieve and maintain fair housing practices. The Montana CDBG and HOME Programs both require grantees to certify in their applications that they will affirmatively further fair housing and administer programs and activities relating to housing and community development in a manner that affirmatively promotes fair housing. HOME Program grantees utilize procedures designed to attract eligible persons from all racial, ethnic and gender groups to the available housing. These procedures must include methods for informing the public, owners, and potential tenants which will incorporate the use of Equal Housing Opportunity logotype and slogans in press releases and other communications, and specific efforts to inform and solicit applications from persons not likely to apply for the housing without special outreach.

CDBG and HOME grantees send representatives to a two day administration workshop, where employees from each Program spend time addressing fair housing and other civil rights requirements. CDBG and HOME grantees receive an Administration Manual, with one chapter of the manual dedicated to fair housing and civil rights topics. All HOME and CDBG grantees are monitored on-site by MDOC for fair housing compliance. Monitoring requirements are specified in the HOME and CDBG Monitoring Guides. During these reviews, outreach actions and tenant selections procedures are closely scrutinized. No fair housing complaints or violations were reported or discovered during this past year. MDOC also checked with the Montana Human Rights Commission[59], and found no evidence of fair housing cases involving HOME and CDBG activities.

HOME and CDBG grantees have targeted housing activities toward groups that are more likely to face fair housing discrimination. CDBG grants are used to rehabilitate low- and moderate-income senior citizens residences, and to make improvements to or create new senior citizens living centers. HOME grantees have focused housing activities on unwed pregnant teenagers, homeless or at-risk of being homeless families, females with children who are victims of domestic violence, the physically disabled, the mentally disabled, large families, and the elderly. These assisted individuals and families have incomes ranging from no-income to low-income. One third of all project funds have been used to assist families with incomes at or below 30% of area median income. Despite the tendency for discrimination to occur more frequently with low-income persons, these low-income "special needs" groups have benefited from outreach and targeting activities completed by HOME and CDBG grantees.

Fair housing education and enforcement includes the activities of the Section Eight Program. The Montana Landlord and Tenant Act, along with applicable portions of the Montana Code Annotated relating to illegal housing discrimination, was recently printed and distributed to 3,500 families receiving Section Eight assistance and 2,000 participating landlords. In addition, HUD's booklet on Housing Discrimination (including a complaint form) was ordered and mailed to all Section Eight participants. As additional efforts are made to educate citizens, it is anticipated fair housing discrimination complaints will also increase.

The Montana Human Rights Commission continued its enforcement and education activities. The Commission received 152 cases of alleged discrimination involving housing during FY 1995. From these cases, 44% were based on familial status, 22% were based on race (American Indian), 22% were based on a disability, and 15% on marital status. The Commission received a record number of new complaints (of all types), and also closed a record number cases. In its FY95 Annual Report[60], the Commission comments that it "...completed a special project to investigate patterns of lending and real estate practice discrimination against American Indians in January 1995. The project was funded by a grant from the U.S. Department of Housing and Urban Development. The Commission found that the Indians are denied home loans at more that three times the denial rate for non-Indians, and that a number of obstacles seem to deter financial institutions from making loans on reservations."[61] Discriminatory practices still exist, and the Commission is actively prosecuting cases.

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[59] October 18, 1995 phone conversation with Jerry Keck, Human Rights Commission

[60] Montana Human Rights Commission FY95 Annual Report Available from the Department of Labor and Industries, Human Rights Commission.

[61] Investigating Systemic Discrimination Against American Indians, Final Report, December 1994.

In addition, the Commission recently provided fair housing training to training to MDOC Section Eight employees and housing authority representatives from across the State.

The Council For Concerned Citizens, a private fair housing group, was awarded approximately $750,000 in federal grants to operate offices in Montana and North Dakota. Approximately $500,000 will fund fair housing compliance testing in five Montana communities, a part-time consulting attorney and an Education Outreach program to all seven Indian Reservations in Montana.

Education and enforcement actions will continue. The CDBG, HOME and Section Eight Programs will continue outreach and interaction efforts with communities across the State. Organizations such as the Council For Concerned Citizens concentrate education efforts mainly on Montana's larger communities. These collective efforts will continue in the future. The Montana Human Rights Commission will continue enforcement actions in those cases where fair housing non-compliance is identified.

OBJECTIVE: SECURE ADEQUATE RESOURCES FOR PERSONS REQUIRING SUPPORTIVE AND TRANSITIONAL SERVICES

Homeless individuals and families and persons with disabilities require supportive services in conjunction with the provision of affordable housing. In particular, those persons with non-mobility-related disabilities often require extensive special services, particularly those who are chronically homeless, chemically dependent, or mentally disabled.

ACTIONS

Preventive measures to allow people to remain in their homes are desirable. Funds for short-term payment of mortgages until families find new employment could significantly reduce the number of homeless persons. As with other types of rental housing, incentives must be expanded to attract private dollars for the construction of additional transitional housing units.

OBJECTIVE: INCREASE ACCESSIBILITY IN THE HOUSING STOCK

Accessibility is a critical issue for many persons. For the disabled, it means that the unit is not physically set up to address their specific needs, such as the lack of a ramp or the halls are narrow. Accessible housing must be developed for disabled persons. The development of capital resources is required to assist homeowners and rental unit managers in the rehabilitation of existing units in order to provide accessibility to the physically disabled. Both remedial and compensatory projects that accommodate the accessibility costs for property managers, landlords, and homeowners with disabilities are needed. Further, disabled renters need more assistance in rental deposits so that once units are available, initial occupancy costs are not as prohibitive.

For others, accessibility in the housing stock refers to its proximity to the stores, transportation, job opportunities, and services necessary for daily living. Limiting mobile homes and other affordable housing units to areas outside of cities and towns further hobbles persons who have low incomes, imposing greater transportation costs.

ACTIONS

Work to promote accessible housing. Utilize the Disabled Accessible Affordable Homeownership Program initiated July 1, 1993, by the Montana Board of Housing. Encourage and support all applications for Section 811 funds. For accessibility to goods, services, and jobs, take into account nearness to the downtown corridor when granting development funds. Also, analysis and modification of zoning restrictions should consider how those restrictions may affect accessibility of housing.

OBJECTIVE: INCREASE ENERGY EFFICIENCY IN THE HOUSING STOCK

Given the high cost of heating in Montana, it has been suggested that greater emphasis be placed on the energy efficiency of rental units to ensure lower utility costs for tenants. Multifamily projects that contain innovative heating and cooling systems emphasizing conservation could be given preference.

ACTIONS

Expand the use of weatherization funds to cover multifamily rental units. Promote long-term solutions to the energy efficiency problem through programs similar to the pilot Energy Efficient Affordable New Home Program sponsored by the Department of Natural Resources and Conservation and the Board of Housing. Lobby for a larger percentage of LIEAP funds to be applicable to the weatherization of low-income homes and apartments.

OBJECTIVE: DECREASE HOUSING ENVIRONMENTAL HAZARDS

A major environmental hazard affecting housing across the country is lead-based paint. One can compute an estimate of the number of housing units at risk for containing lead-based paint. According to HUD estimates, 90 percent of units built before 1940, 80 percent of those built between 1940 and 1959, and 62 percent of units built from 1960 to 1979 may have lead-based paint. This computation was applied to all units (occupied and vacant) in Montana. There are over 220,000 units statewide that are potentially at risk for lead-based paint hazards. Additional risk factors for lead-based paint hazards are tenure (rent or own) and income of the household.

Of those units built before 1940, 25.4 percent are occupied by very low-income renters. Older rental units have higher rates of lead poisoning hazards than do pre-1940 owner-occupied units. Of all very low- and low-income renter households, about 58,019 are estimated to have lead-based paint. For very low- and low-income owner-occupied households, 73,690 are estimated to have lead-based paint. This is not an indication of the number of households with a lead-based paint hazard; it is merely an indication of those most at risk. The findings of the initial Superfund-related study by the Butte-Silver Bow Health Department, when applied to the state, indicate that approximately 8,500 children in Montana may currently be at risk of lead poisoning.

Montana programs related to control of lead-based paint hazards are in their infancy at the present time. Only two lead programs are currently functioning. East Helena has a lead program that is relatively small, screening approximately 50 children annually in the East Helena area only (funded

by ASARCO.) The Butte Childhood Lead Poisoning Prevention Program is a comprehensive program funded by the Atlantic Richfield Corporation (ARCO). The Butte program is part of the Butte-Silver Bow County Health Department. Funds are used to support staff positions, screening activities, lab support, and environmental investigations. The Montana Childhood Lead Poisoning Prevention Program, much of which is contracted out to the Butte Childhood Lead Poisoning Prevention Program, has expanded the testing of children to Great Falls and Missoula. Funding has come from a federal program under the Center for Disease Control. The Montana Department of Health and Environmental Science (MDHES) has begun the process of initiating a lead compliance program to address the accreditation of individuals engaged in lead hazard identification or reduction activities, the accreditation of training programs for these individuals, and the certification of contractors engaged in lead based paint related activities.

ACTIONS

The Montana Childhood Lead Poisoning Prevention Program has created local programs in communities with the highest at-risk population: Great Falls and Missoula. The program should continue, and incorporate other major cities not served, accessing rural areas through the urban programs. Work should continues well on securing funding from HUD for abatement activities under the proposed Lead Abatement Program.

In addition, the Occupational and Radiological Health Bureau in the State Department of Health and Environmental Science should complete their proposed program to certify training courses for workers, supervisors, and inspectors of lead-based paint evaluation sites.

OBJECTIVE: INCREASE ABILITY OF MDOC TO PROVIDE TECHNICAL ASSISTANCE

Housing needs across the state of Montana vary widely. The extreme diversity in available housing, age of housing stock, and overall range in population density complicate the assessment of the type and degree of housing needs. There is a broad array of housing availability, affordability, and suitability problems. The state believes that simply treating the symptoms of the malady will not be sufficient to solve the problems. Resources do not appear to be adequate to deal with the housing needs and requirements that plague the state. Also, the needs identified and prioritized at the state level may not retain a similar priority rating for implementation at local levels. The statewide priority classification described herein represents only a general indicator of anticipated applications; actual application activity by local jurisdictions may be different, as the identification and quantification of needs at the local level is incumbent upon the local community.

Therefore, each local entity must be able to evaluate its needs carefully, articulate them well, present a plan to acquire program resources, and compete with other jurisdictions applying for the same scarce funds. Those organizations with the best planned and articulated applications receive funding within a competitive arena.

ACTIONS

MDOC will expand its provision of technical assistance to local governments and other entities for the purpose of helping them evaluate and qualify for housing programs under its control and

influence. Half of one staff person's time will continue to be committed to intergovernmental cooperation and application workshops. The role of the state will expand in regard to the provision and interpretation of information that can aid localities in determining and quantifying their housing needs, problems, and alternative solutions to those problems. The State's technical support includes the recent completion of an economic and demographic databook and selected data tabulations from surveys completed during the previous year. The databook is composed of employment and income by one-digit SIC, along with sex and age cohort data, and household formation over the period 1967 through 2015. Additionally, in late 1995 or early 1996 the CDBG program will make available technical assistance grants to local governments to address their community development needs.

3. QUANTIFY AFFORDABLE HOUSING NEEDS

Montana has identified that the state has an affordable housing shortage of at least 25,000 housing units. This would require new construction or conversion from other non-housing uses of property. For the purpose of estimating resource needs, it is assumed that the average housing cost, a blend of single family and multifamily units, each in turn a blend of very small to modest homes, will average a cost of 48,000 per unit.[62] This cost per unit, and the number of affordable units needed, totals to a $1.2 billion investment. Conversely, the number of low income households that face sever cost burdens comprise about 85,000 of Montana's over 300,000 households. If one assumes that assistance or rehabilitation of homeowner property will eliminate these cost burdens, an average cost of $15,000 per unit is reasonable.[63] Together, these values add to an additional $1.277 billion in necessary housing investments. Lead based paint abatement expense, and residential unit overcrowding costs, while very important to the State of Montana, are not yet included in the above estimates.

[62] The housing affordability data presented earlier in this document notes that the current average cost of a two-bedroom single-family home was in excess of $70,000.

[63] The CDBG housing portion of its funding programs currently plans that $15,000 is about the average cost of rehabilitation of residential property.

CPS TABLE 2(a)
HOUSING PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FIVE YEAR PLAN 1995 - 1999

PRIORITY HOUSING NEEDS (households)			Priority Need Level High, Medium, Low, No such need			ESTIMATED UNITS	ESTIMATED DOLLARS NEEDED TO ADDRESS (IN MILLIONS)	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS IN FISCAL 1995 (IN MILLIONS)
			0-30%	31-50%	51-80%			
Renter	Small Related	Cost Burden > 30%	M	M	M	16,640	$1,507.2	
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	Large Related	Cost Burden > 30%	M	M	M	3,337		
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	Elderly	Cost Burden > 30%	M	M	M	9,366		
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	All Other	Cost Burden > 30%	M	M	M	19,022		
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
Owner		Cost Burden > 30%	M	M	M	38,600		
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
Total Substandard		Missing Kitchen, Baths	M	M	M	13,628		
New Construction		Affordable Housing	M	M	M	24,797	$1,190.3	
TOTAL PRIORITY HOUSING NEEDS			M	M	M	125,279	$2,697.5	$5.24

4. GEOGRAPHIC DISTRIBUTION AND IMPLEMENTATION

Housing needs across Montana vary widely. The extreme diversity in available housing, age of housing stock, and overall range in population density complicate the assessment of the type and degree of housing needs. There is a broad array of housing availability, affordability, accessibility, and suitability problems. The State believes that simply treating the symptoms of the malady will not be sufficient to solve the problems. Current resources do not appear to be adequate to deal with the housing needs and requirements that plague the state.

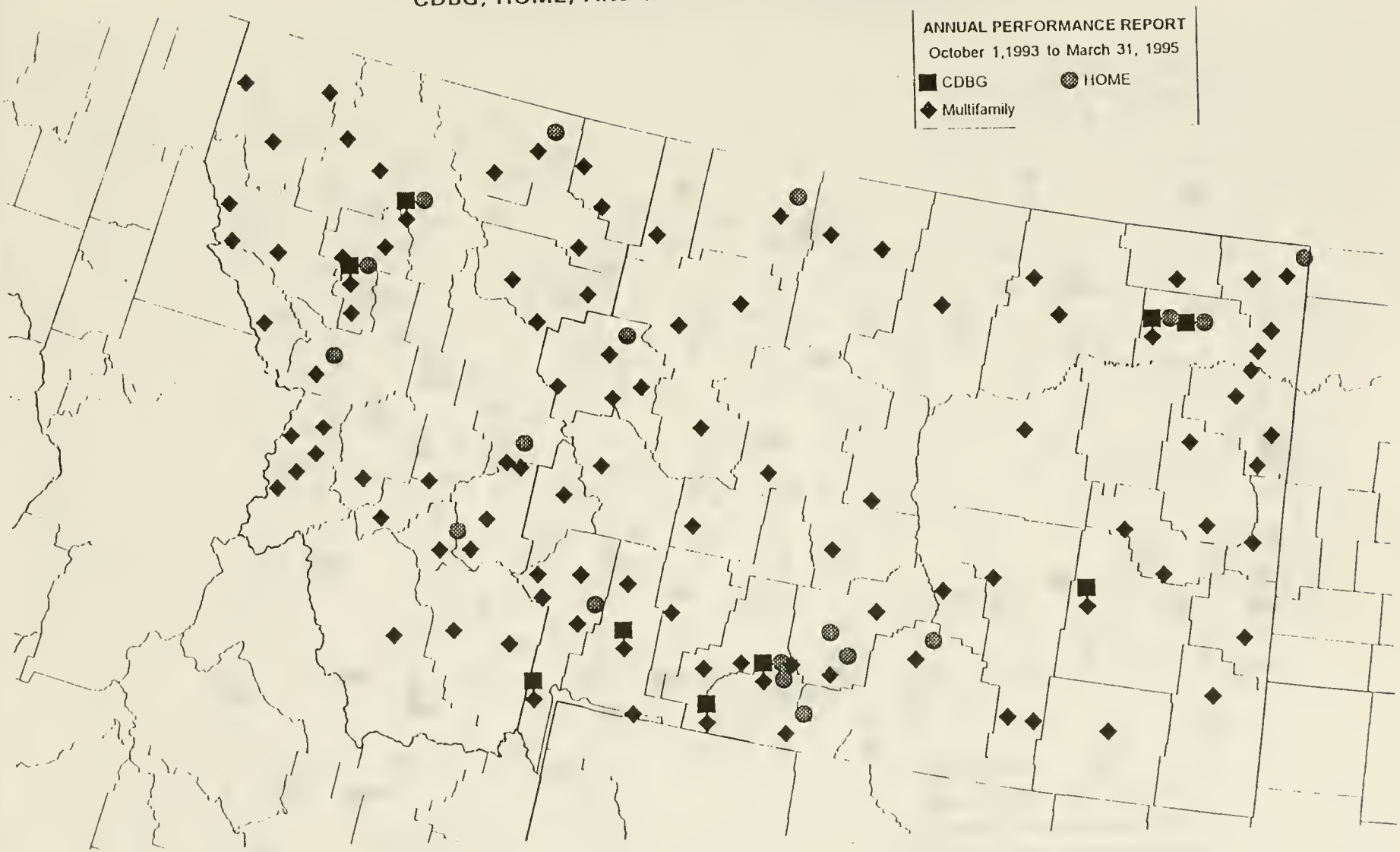
The needs identified and prioritized at the state level may not retain a similar priority V rating for implementation at local levels. The statewide priority classification described herein represents only a general indicator of anticipated applications; actual application activity by local jurisdictions may be different, as the identification and quantification of needs at the local level is incumbent upon the local community.

Montana intends to implement its plan statewide (except for the entitlement areas of Billings and Great Falls and various jurisdictions guided by tribal agencies), and distribute housing funds under its direct control in a competitive process founded on needs identified at the local level. This means that each local entity must evaluate its needs carefully, articulate them well, present a plan to acquire program resources, and compete with other jurisdictions applying for the same scarce funds. Montana does not have sufficient resources to fulfill all requests for funding, or to address all problems at the same time. Those organizations with the best planned and articulated applications receive funding within a competitive arena. Generally, CDBG funds will be spent in nonentitlement areas and HOME Program funds administered by MDOC will be available statewide (excluding the cities of Billings and Great Falls).

Historically, MDOC programs have been implemented on a statewide competitive basis; further, entities receiving CDBG or HOME funds must have previous allocations drawn down (50 percent for CDBG and 75 percent for HOME) before they are eligible to apply for additional program funds. This method has been shown to disburse funds equitably throughout the state, allowing all groups an equal chance to apply for funds. Therefore, program activities associated with entitlement areas, nonentitlement metro areas, and rural areas are all represented in this housing plan.

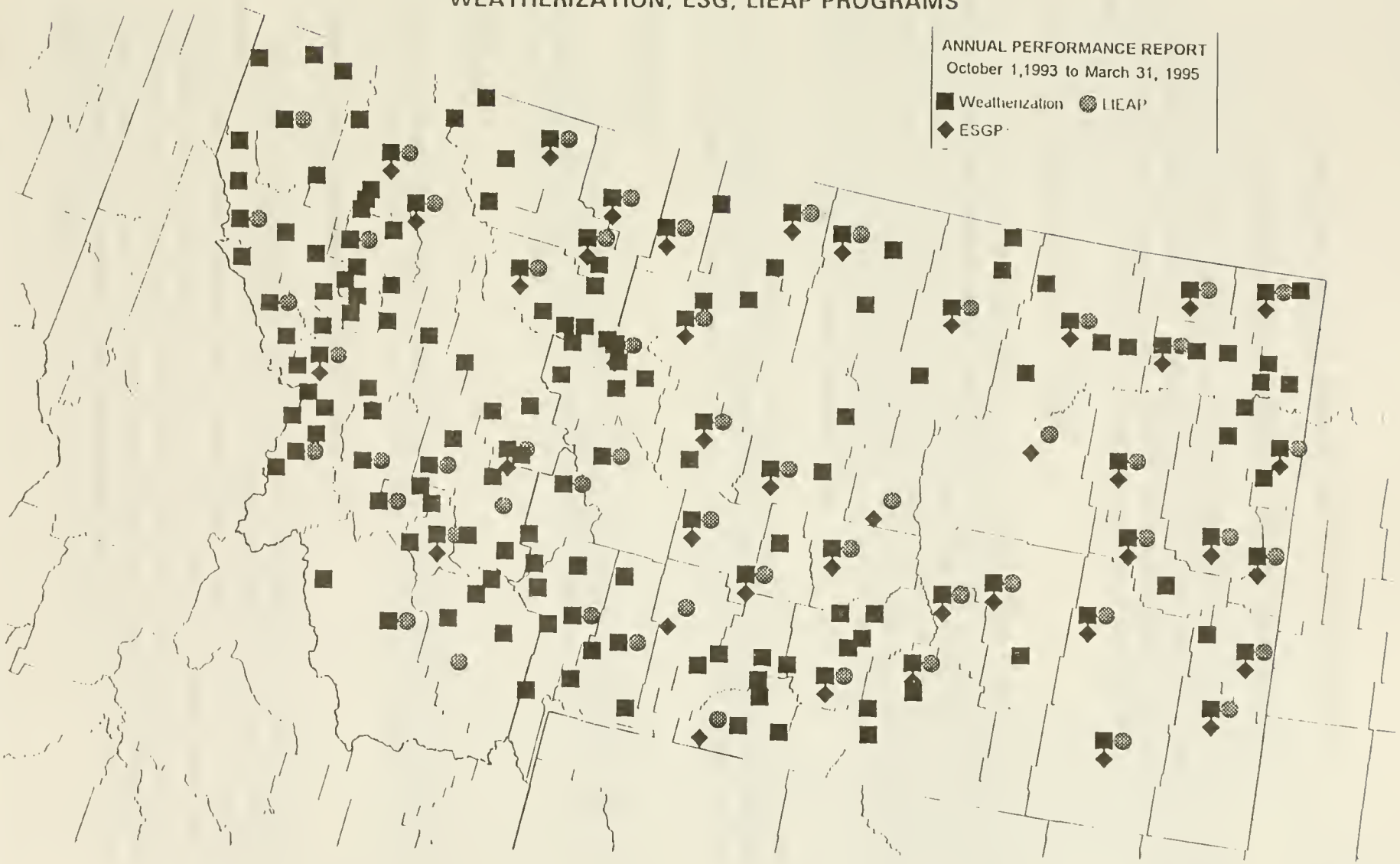
Together, all funding methods, whether formula or competitive, tend to be widely disbursed throughout the state. Furthermore, when included with other program activities not administered by MDOC, the distribution becomes widespread and broadly dispersed throughout the state. Maps 1 through 3 present a geographic picture of the distribution of federally supported housing programs and services delivered in the state over the past year. It is anticipated that similar distributions will occur in the upcoming year.

MAP 1
GEOGRAPHIC DISTRIBUTION OF HOUSING ACTIVITIES
CDBG, HOME, AND MULTIFAMILY PROGRAMS



MAP 2
GEOGRAPHIC DISTRIBUTION OF HOUSING ACTIVITIES
HUD ELDERLY, HUD FAMILY, AND TRANSITIONAL PROGRAMS

MAP 3
GEOGRAPHIC DISTRIBUTION OF HOUSING ACTIVITIES
WEATHERIZATION, ESG, LIEAP PROGRAMS



V. PRIORITY NEEDS, OBJECTIVES, STRATEGIES (cont.)

C. NON-HOUSING COMMUNITY DEVELOPMENT NEEDS

All non-housing community development needs directly addressed by the CPS pertain to projects and activities potentially eligible for funding through the Community Development Block Grant Program (CDBG). For the purposes herein, the CDBG program funds housing, (mentioned above), infrastructure, and economic development. The latter two are discussed below.

1. PRIORITY INFRASTRUCTURE NEEDS

Montana is faced with a difficult battle to solve the large and looming infrastructure problems within its boundaries. Recent analysis and inventory of infrastructure needs of local government managed facilities show an estimated $1.6 billion dollars required to perform major improvements or construction. In a large state with a small population, the per capita cost of maintaining infrastructure systems is extremely high. It is obvious that State resources are inadequate to address the problem. Even with the recent trend of families moving back into the state, the per capita cost of maintaining infrastructure systems is extremely high.

State Departments and agencies will examine the results of the recent infrastructure inventory and analysis. Identification of the resources available to address the needs will be identified. CPS Table 2(c), presents the estimated needs for all non-housing community development needs .

OBJECTIVE:

A key objective of MDOC's consolidated planning process is to update the 1984 Governor's Task Force on Infrastructure Report and the 1991 MDOC study to provide a current picture of Montana's infrastructure needs.

ACTIONS:

MDOC has retained the services of a consultant to conduct a statewide infrastructure needs inventory and analyze the information. The results of this effort are presented in this consolidated plan update.

2. PRIORITY ECONOMIC DEVELOPMENT NEEDS

The economic development needs are based on the studies and conclusions described in the economic development needs section of the Consolidated Plan. For more explanation of the context of these recommendations, please refer to that section. The state consolidated planning process allows for local communities to identify their own needs. When local governments apply to the CDBG program for funding public facility or economic development projects, the applicant must prepare a needs assessment which recognizes the applicant's project as a community need. The following objectives are written to provide maximum flexibility to local communities across the state who have identified their own economic development needs.

OBJECTIVE:

The Montana Department of Commerce's Economic Development Division administers the Economic Development component of the Community Development Block Grant Program. The mission of the Economic Development Division is to assist the businesses and communities of Montana to achieve prosperity while keeping in mind that the vision of prosperity to be achieved must be defined by the businesses and communities that the Division serves. The CDBG program is one component of the implementation of this mission.

ACTIONS

The CDBG Economic Development Program works in concert with many Division programs: Regional Development, Microbusiness Finance, Job Investment Loan Program, Business Location and Recruitment, International Trade, Small Business Development Center, Montana Science and Technology Alliance, and the Board of Investments loan programs. The Regional Development Officers offer individual consulting in business planning and financial analysis, loan packaging, state and federal funding sources, business tax incentives, and referrals to other technical assistance sources. These programs will continue to work with businesses to:

1. Encourage viable economic development projects that promote investment of private capital, expansion of local tax bases, and creation of permanent, year-round jobs principally for low and moderate-income Montanans.

2. Encourage projects that will involve basic economic activities, including manufacturing, import substitution activities, or the distribution of Montana-made goods.

3. Encourage projects that involve the processing, refining, and marketing of Montana's natural resources.

4. Continue to expend the annual CDBG ED allocation and access other sources of funds for maximum financial leverage.

CPS TABLE 2(c)
NON-HOUSING COMMUNITY DEVELOPMENT PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FIVE YEAR PLAN 1995 - 1999

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No such need	ESTIMATED DOLLARS NEEDED TO ADDRESS (IN MILLIONS)	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS IN FISCAL 1996 (IN MILLIONS)
INFRASTRUCTURE IMPROVEMENT	H		
Solid Waste Disposal Improvements	H		
Waste Water Needs	H	$1,612	
Water System Improvements	H		
Other Infrastructure	M		
PUBLIC SERVICE NEEDS	M		
PLANNING	M		
OTHER COMMUNITY DEVELOPMENT NEEDS	M	$1,045	
Lead Based Paint/Hazards	M		
ECONOMIC DEVELOPMENT NEEDS	H	$2,619	
TOTAL PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS	M	$5,276	$6.6

D. INSTITUTIONAL STRUCTURE

Most state-administered housing assistance, public facility, and economic development programs are handled by the Montana Department of Commerce (MDOC), primarily within the Local Government Assistance Division and the newly formed Housing Division. In November of 1994, the State Housing Task Force recommended centralization of housing programs within state government to increase coordination and assist in the development of a cohesive state housing policy to guide the operation of all housing programs in Montana. The Department of Commerce formed a Housing Division which includes the Board of Housing and its programs, the Section 8 program and the HOME Investment Partnerships program (HOME). As lead agency, the Housing Division will continue to develop the Consolidated Plan, and manage and coordinate its many related housing programs. The Local Government Assistance Division will continue to manage their CDBG programs for housing and public facilities. The Division will also continue to administer the CDBG Economic Development program. Together the Divisions will continue to promote the interaction and coordination of entities involved in providing the services identified under these programs. The Emergency Shelter Grant Program is administered by the Intergovernmental Human Services Bureau of the Department of Social and Rehabilitation Services.

To facilitate coordination and cohesive housing policy setting and planning, the Department of Commerce is forming a Housing Coordinating Team. The team will consist of representatives from all state and federal entities that currently have housing programs. The purpose of the Team will be to provide a forum for ongoing discussion regarding current housing programs, program policies, and planning for changes in programs. One of the positive aspects of organizations such as this would

be discussing project applications which may be requesting access to multiple sources of funds, and discuss projects where an entity many not be able to provide funding but another entity may.

An avenue the State continues to explore is coordination with the private sector. Many banks, savings and loans, and other financial organizations involved in housing are interested in taking advantage of federally assisted housing improvement programs in order to meet requirements of the federal Community Reinvestment Act (CRA). Two federally assisted programs are the Montana CDBG and HOME programs. Both Community Housing Development Organizations (CHDOs) and local governments can apply for HOME funds to assist in providing additional affordable housing. Local governments apply for CDBG funds to use for housing projects involving the rehabilitation of homes owned or rented by low- or moderate-income families and other activities to improve the neighborhood in which the housing rehabilitation is taking place. CDBG and HOME funds have played a key role in "leveraging," using program allocations to attract private dollars by creating a pool of funds for rehabilitation loans at below market interest rates.

MDOC will continue communicating and coordinating activities with other agencies throughout the year. These actions can assist in identifying areas in which further communication and cooperation may be needed, and can help to identify gaps in the institutional provision of services. Actions have included application workshops for CDBG and HOME, information and data dissemination regarding the Community Reinvestment Act, advice to nonprofit entities on how to become certified as CHDOs, support for other entities in their application processes for funding of various programs, and joint work on evaluation of homeless subpopulations. Furthermore, MDOC intends to work closely with SRS in their newest efforts in the study of the unsheltered homeless.

MDOC recognizes that housing policy and housing program responsibilities are often fragmented across a variety of agencies and organizational entities throughout both the state and federal governments. To aid in resolving these complications, MDOC supports the use of a team approach. The "team" is comprised of government and citizen participants to aid in directing and solving housing problems facing the state. MDOC will support continuation of such an entity for the State's housing policy formation and development of broader-based constituencies for researching and analyzing housing problems.

The state has been able to collect some data pertaining to the size and needs of nonhomeless population with special needs. However, much of the information is general in nature. MDOC supports the prospective participation of individuals representing the interests of the developmentally disabled, persons in correctional institutions, and other nonhomeless persons with special needs. A survey of the five regional mental health centers was conducted to determine the number of permanent rental units specifically set aside for persons with severe and disabling mental illness.

The Community Reinvestment Act (CRA) has stimulated the involvement of for-profit organizations in the provision of affordable housing. One example of CRA's work is the Community Home Ownership Program of Norwest Bank. Ten million dollars has been allocated by Norwest Banks in Montana and Wyoming to be used for home mortgage loans. The loans are available to people in Norwest Bank-designated market areas in Montana for purchasing single-family, owner-occupied residential units. The bank's program provides a low down payment, no discount points, low loan origination fees, and competitive interest rates on home mortgage loans. Loans are available

only to families earning no more than 115 percent of the HUD-determined median income for the area, up to $30,000. These benefits help make home ownership possible for some low- and moderate-income Montanans.

E. COORDINATION EFFORTS

Many banks, savings and loans, and other financial organizations involved in housing are interested in taking advantage of federally assisted housing improvement programs in order to meet the requirements of the federal Community Reinvestment Act (CRA). Two such federal programs available in Montana are the CDBG and HOME programs. Community Housing Development Organizations (CHDOs) and local governments can apply for HOME funds to assist in providing additional affordable housing. Local governments apply for CDBG funds to use for housing projects involving the rehabilitation of homes owned or rented by low- or moderate-income families and other activities to improve the neighborhood in which the housing rehabilitation is taking place. CDBG funds have played a key role in "leveraging," using CDBG dollars to attract private dollars by creating a pool of funds for rehabilitation loans at below market interest rates.

MDOC also has been communicating and coordinating activities with other agencies throughout the entire year. This assists in the identification of areas for which further communication and cooperation may be needed, and helps to identify gaps in the institutional provision of services. Activities have included application workshops for CDBG and HOME funding, information and data dissemination regarding the Community Reinvestment Act, technical assistance workshops and publications, advice to nonprofit agencies and prospective nonprofit entities on how to become certified as CHDOs, support for other entities in their applications for funding,[64] and joint evaluation with SRS of the unsheltered homeless population.

F. QUANTITATIVE MEASURES FOR FISCAL 1996

Because the size of Montana needs are so vastly different than available resources, the State will commit all allotted funds each year for the HOME and CDBG programs. Commitments will be in accordance with the application guidelines established for each of the program components. The guidelines are reviewed and updated each year. Copies of program guidelines are available upon request from the MDOC.

In accordance with the statutory guidelines, estimated number of housing units to be assisted with the HOME, ESG, and CDBG funds is presented in CPS Tables A, B, and C.

[64] For example, the Community Development Bureau assisted the City of Kalispell in forming an alliance with the Federal Home Loan Bank of Seattle. The bureau's role was to emphasize the strength that the program had throughout the state and MDOC.

CPS TABLE A
HOUSING PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FISCAL 1996

PRIORITY HOUSING NEEDS (households)			Priority Need Level High, Medium, Low, No such need			ESTIMATED UNITS	ESTIMATED DOLLARS NEEDED TO ADDRESS	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS
			0-30%	31-50%	51-80%			
Renter	Small Related	Cost Burden > 30%	M	M	M	660	$301,000,000	
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	Large Related	Cost Burden > 30%	M	M	M			
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	Elderly	Cost Burden > 30%	M	M	M			
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
	All Other	Cost Burden > 30%	M	M	M			
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
Owner		Cost Burden > 30%	M	M	M	480		
		Cost Burden > 50%	M	M	M			
		Substandard	M	M	M			
		Overcrowded	M	M	M			
TOTAL PRIORITY HOUSING NEEDS			M	M	M	1,140	$301,000,000	$5,240,000

CPS TABLE B
HOMELESS PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FISCAL 1996

PRIORITY HOMELESS NEEDS	Priority Need Level High, Medium, Low, No such need			ESTIMATED DOLLARS NEEDED TO ADDRESS	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS
Assessment/Outreach	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Emergency Shelter	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Transitional Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Permanent Supportive Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
Permanent Housing	Families	Individuals	Persons w/ Special Needs		
	M	M	M	420,000	
TOTAL PRIORITY HOMELESS NEEDS	M	M	M	$2,099,000	$380,000

CPS TABLE C
NON-HOUSING COMMUNITY DEVELOPMENT PRIORITY NEEDS SUMMARY TABLE
STATE OF MONTANA - FISCAL 1996

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No such need	ESTIMATED DOLLARS NEEDED TO ADDRESS	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS
PUBLIC FACILITY NEEDS	M		
INFRASTRUCTURE IMPROVEMENT	H		
Solid Waste Disposal Improvements	H		
Waste Water Needs	H	$209,000,000	
Water System Improvements	H		
Other Infrastructure	M		
PUBLIC SERVICE NEEDS	M		
PLANNING	M		
OTHER COMMUNITY DEVELOPMENT NEEDS	M		
Lead Based Paint/Hazards	M		
ECONOMIC DEVELOPMENT NEEDS	H	$520,000,000	
TOTAL PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS	M	$729,000,000	$ 6,500,000

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OMB Approval No. 0348-0043

APPLICATION FOR FEDERAL ASSISTANCE

2. DATE SUBMITTED	Applicant Identifier
2/15/96	1
3. DATE RECEIVED BY STATE	State Application Identifier
4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier: 81-0302402

1. TYPE OF SUBMISSION:

Application	Preapplication
☐ Construction	☐ Construction
☒ Non-Construction	☐ Non-Construction

5. APPLICANT INFORMATION

Legal Name: Montana Department of Commerce

Organizational Unit:

Address (give city, county, state, and zip code): 1424 9th Avenue, Helena, MT 59620

Name and telephone number of the person to be contacted on matters involving this application (give area code): Gus Byrom (406) 444-4477

6. EMPLOYER IDENTIFICATION NUMBER (EIN): 81-0302402

7. TYPE OF APPLICANT: (enter appropriate letter in box) A

A. State
B. County
C. Municipal
D. Township
E. Interstate
F. Intermunicipal
G. Special District
H. Independent School Dist.
I. State Controlled Institution of Higher Learning
J. Private University
K. Indian Tribe
L. Individual
M. Profit Organization
N. Other (Specify): _____

8. TYPE OF APPLICATION:

☐ New ☒ Continuation ☐ Revision

If Revision, enter appropriate letter(s) in box(es): ☐ ☐

A. Increase Award B. Decrease Award C. Increase Duration
D. Decrease Duration Other (specify).

9. NAME OF FEDERAL AGENCY: U.S. Dept of Housing & Urban Developme

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14.228

TITLE: Community Development Block Grant Prog

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: FY 96 State of Montana Community Development Block Grant Progr

12. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.): State of Montana (excluding the city limits of Great Falls and Billings)

13. PROPOSED PROJECT:

Start Date	Ending Date
4-1-96	3-31-97

14. CONGRESSIONAL DISTRICTS OF:

a. Applicant: Montana

b. Project: Montana (excluding the city limits o Great Falls & Billings)

15. ESTIMATED FUNDING:

a. Federal	$ 8,714,000 .00
b. Applicant	$ .00
c. State	$ .00
d. Local	$ .00
e. Other	$ .00
f. Program Income	$ .00
g. TOTAL	$ 8,714,000 .00

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. YES THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:

DATE _____

b. NO. ☒ PROGRAM IS NOT COVERED BY E.O. 12372

☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

☐ Yes If "Yes," attach an explanation ☒ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED

a. Typed Name of Authorized Representative	b. Title	c. Telephone Number
Jon D. Noel	Director, Dept of Commerce	(406) 444-3495

d. Signature of Authorized Representative

e. Date Signed

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OMB Approval No. 0348-0043

APPLICATION FOR FEDERAL ASSISTANCE

2. DATE SUBMITTED	Applicant Identifier
2/15/96	M1
3. DATE RECEIVED BY STATE	**State Application Identifier**
4. DATE RECEIVED BY FEDERAL AGENCY	**Federal Identifier**
	81-0302402

1. TYPE OF SUBMISSION:

Application	Preapplication
☐ Construction	☐ Construction
☒ Non-Construction	☐ Non-Construction

5. APPLICANT INFORMATION

Legal Name: Montana Department of Commerce

Organizational Unit: Housing Assistance Bureau

Address (give city, county, state, and zip code): 836 Front Street, Helena, MT 59620

Name and telephone number of the person to be contacted on matters involving this application (give area code): Dave Parker (406) 444-0094

6. EMPLOYER IDENTIFICATION NUMBER (EIN): 81-0302402

7. TYPE OF APPLICANT: (enter appropriate letter in box) [A]

A. State
B. County
C. Municipal
D. Township
E. Interstate
F. Intermunicipal
G. Special District
H. Independent School Dist.
I. State Controlled Institution of Higher Learning
J. Private University
K. Indian Tribe
L. Individual
M. Profit Organization
N. Other (Specify): _____

8. TYPE OF APPLICATION:

☐ New ☒ Continuation ☐ Revision

If Revision, enter appropriate letter(s) in box(es): ☐ ☐

A. Increase Award B. Decrease Award C. Increase Duration
D. Decrease Duration Other (specify): _____

9. NAME OF FEDERAL AGENCY: U.S. Dept of Housing & Urban Development

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14.239

TITLE: HOME Investment Partnerships Prog

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: FY 96 State of Montana HOME Investment Partnerships Program

12. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.): State of Montana (excluding the city limits of Great Falls and Billings)

13. PROPOSED PROJECT: Start Date	Ending Date	14. CONGRESSIONAL DISTRICTS OF: a. Applicant	b. Project
4-1-96	3-31-97	Montana	Montana (excluding the city limits of Great Falls & Billings)

15. ESTIMATED FUNDING:

a. Federal	$ 3,387,000 .00
b. Applicant	$ .00
c. State	$ .00
d. Local	$ .00
e. Other	$ .00
f. Program Income	$ .00
g. TOTAL	$ 3,387,000 .00

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. YES THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:

DATE _____

b. NO. ☒ PROGRAM IS NOT COVERED BY E.O. 12372

☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

☐ Yes If "Yes," attach an explanation ☒ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED

a. Typed Name of Authorized Representative	b. Title	c. Telephone Number
Jon D. Noel	Director, Dept of Commerce	(406) 444-3494
d. Signature of Authorized Representative		**e. Date Signed**

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OMB Approval No. 0348-0043

APPLICATION FOR FEDERAL ASSISTANCE

2. DATE SUBMITTED: 2/15/96	Applicant Identifier: ESG1
3. DATE RECEIVED BY STATE:	State Application Identifier:
4. DATE RECEIVED BY FEDERAL AGENCY:	Federal Identifier: 81-0302402

1. TYPE OF SUBMISSION:
Application: ☐ Construction ☒ Non-Construction
Preapplication: ☐ Construction ☐ Non-Construction

5. APPLICANT INFORMATION

Legal Name: Dept of Public Health & Human Services

Organizational Unit: Inter-governmental Human Services Bure

Address (give city, county, state, and zip code):
PO Box 4210
Capital Station
Helena, MT 59620

Name and telephone number of the person to be contacted on matters involving this application (give area code)
Jim Nolan
(406)444-4546

6. EMPLOYER IDENTIFICATION NUMBER (EIN): 8 1 – 0 3 6 2 4 0 2

7. TYPE OF APPLICANT: (enter appropriate letter in box) A

A. State
B. County
C. Municipal
D. Township
E. Interstate
F. Intermunicipal
G. Special District
H. Independent School Dist.
I. State Controlled Institution of Higher Learning
J. Private University
K. Indian Tribe
L. Individual
M. Profit Organization
N. Other (Specify):

8. TYPE OF APPLICATION:
☐ New ☒ Continuation ☐ Revision

If Revision, enter appropriate letter(s) in box(es): ☐ ☐
A. Increase Award B. Decrease Award C. Increase Duration
D. Decrease Duration Other (specify):

9. NAME OF FEDERAL AGENCY:
U.S. Dept of Housing & Urban Developme

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 1 4 . 2 3 1

TITLE
Emergency Shelter Grant Program

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:
FY 96 State of Montana
Emergency Shelter Grant Program

12. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.):
State of Montana

13. PROPOSED PROJECT: Start Date	Ending Date	14. CONGRESSIONAL DISTRICTS OF: a. Applicant	b. Project
4-1-96	3-31-97	Montana	Montana

15. ESTIMATED FUNDING:

a. Federal	$ 380,000 .00
b. Applicant	$ .00
c. State	$ .00
d. Local	$ .00
e. Other	$ .00
f. Program Income	$ .00
g. TOTAL	$ 380,000 .00

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. YES THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:
DATE _____
b. NO. ☒ PROGRAM IS NOT COVERED BY E.O. 12372
☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
☐ Yes If "Yes," attach an explanation. ☒ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED

a. Typed Name of Authorized Representative	b. Title	c. Telephone number
Hank Hudson	Admin of Division of Children & Family	(406)444-590

d. Signature of Authorized Representative: Hank Hudson
e. Date Signed: 2/13/96

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VI. STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about -

   (a) The dangers of drug abuse in the workplace;
   (b) The grantee's policy of maintaining a drug-free workplace;
   (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
   (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -

   (a) Abide by the terms of the statement; and
   (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -

   (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying – To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

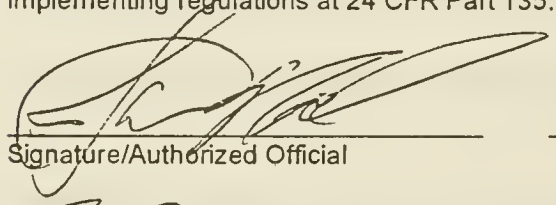
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State – The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan – The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 – It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.



Signature/Authorized Official

2/12/96

Date

DIR

Title

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;

2. It engages in or will engage in planning for community development activities;

3. It provides or will provide technical assistance to units of local government in connection with community development programs; and

4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 1990, through 1995 shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

   It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

Signature/Authorized Official

2/12/16
Date

DIR
Title

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Signature/Authorized Official

2/12/96
Date

DIR
Title

ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion – In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services – Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds – It will obtain matching amounts required under 24 CFR §576.71.

Confidentiality – It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement – To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan – It is following a current HUD-approved Consolidated Plan or CHAS.

Hank Hudson — Signature/Authorized Official

2/8/96 — Date

Division Admin. — Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.

2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).

4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)

5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

1424 9th Avenue, Helena, Lewis and Clark County, MT 59620 836
Front Street, Helena, Lewis and Clark County, MT 59620 30 N. Last
Chance Gulch, Helena, Lewis and Clark County, MT 59620

Check ___ if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

VI. SUMMARY OF CITIZEN PARTICIPATION

The citizen participation process is designed to give the public an opportunity to have a voice in the way HUD programs are administered by the State. A two-phased process was implemented this year beginning with citizen input in the development of the Consolidated Plan (CP). A letter was sent to 475 local governments, public agencies, member organizations and citizens throughout Montana encouraging their participation in updating the CP. Twenty three organizations were individually contacted and encouraged to provide information and valid statistics to aid in the update process. Staff from the Local Government Assistance Division provided an opportunity for citizen input at the Montana Association of Counties convention on September 16-19, 1995 in Billings. Housing Division staff presented information regarding updating the CP at the League of Cities & Towns convention on October 6, 1995 (also in Billings). In each of these cases, public input on the development of the plan was received. The Water, Wastewater, Solid Waste, Action Coordination Team previously met and provided input concerning the infrastructure survey and analysis that is included in the CP. A public information hearing was held on October 10, 1995 in Bozeman for the express purpose of receiving public input prior to the release of the draft CP. This meeting was held in the evening to allow individuals to attend without taking time from work.

The draft CP was released to the public in November 1995. Newspaper notices provided a summarized content and purpose of the plan and contained a representative list of places where the full document was available for review as well as dates, locations and times of the scheduled public review meetings. A draft CP and cover letter were sent to all public libraries in the state. Libraries located in larger towns received several copies to allow for at least one copy to be checked out. Additionally, 240 letters were sent to interested parties on the CP mailing list that gave the same information referenced above in the newspaper notices. The *Executive Summary* was also sent to 1,144 individuals and organizations

Three public review meetings were held throughout the state. The first, held December 5 in Polson, was attended by eleven people. The second public review meeting was held in Lewistown on December 7 with sixteen people attending that meeting. The third public meeting was held in Forsyth on a cold, snowy December 12. One person provided input and comment.

Following is a summary of oral and written comments received by MDOC on the draft CP, broken down into appropriate categories. Tapes of the public hearings and written comments are on file in the office of the Consolidated Plan Coordinator, Montana Department of Commerce, 836 Front Street, Helena, MT.

COMMENTS AND RESPONSES (public hearings and written comments)

Comment: Support for funding of intermediate care facility An intermediate care facility provides affordable housing to elderly people who can no longer live by themselves in their own homes but are not yet in need of the wide array of services provided in a rest home. These facilities are being targeted for smaller towns and allow individuals to continue to live more independently within their own community in small units that fit into residential areas. The intermediate care facilities have professional support to help give medicine and provide healthy meals and are a cost effective alternative to moving into a rest home.

Response: *An intermediate care facility would be an eligible project under the HOME program identified as transitional housing. Individuals were informed of the HOME application process and eligible applicants. These facilities are also eligible under the CDBG program.*

Comment: Reorganization and leveraging of funds for projects Due to the re-organization of several federally funded programs one person wanted to know how to leverage funds to create new projects

Response: *Both HOME and CDBG programs encourage the use of several funding sources to build more comprehensive projects. Federal dollars have become severely limited and a partnership approach to leverage various federal, state, private, not-for-profit, and city and county public resources, is currently used to finance several major projects.*

Comment: Support for changes in the HOME application process One person commented that his organization found the HOME application very straightforward and easy to understand. He would like to see format changes in the CDBG application. Another person also supported the idea of streamlined applications.

Response: *Steps are being taken to move towards a standard and possibly combined Board of Housing (BOH), CDBG and HOME application in the future. The result will probably be a simplified application format with a boilerplate section that includes data germane to all programs, and other areas to answer specific HOME, CDBG and BOH questions.*

Comment: Continued Certification of Community Housing Development Organizations (CHDO) One person asked how the state was going to encourage efforts to establish Community Housing Development Organizations in Montana as well a continued certification.

Response: *HOME program personnel continue to contact housing organizations interested in becoming CHDO's and help them meet the established criteria for certification. Through education, application workshops and working on an individual basis, the HOME program has already certified 20 non-profit organizations as CHDO's. On a yearly basis each CHDO must become recertified to continue to be eligible to apply for the fifteen percent set aside for CHDO funding under the HOME program.*

Comment: Acceptance of Program Income as an eligible form of match One person expressed support for program income generated from rental projects as an acceptable form of match for future applications. She questioned if that ruling extended to moneys recaptured from housing rehabilitation projects.

Response: *Housing rehabilitation projects are attached to a period of affordability requirement enforced by deed restrictions on the property. The recaptured funds that are generated from the sale of a rehabilitation project, within the period of affordability, are subject to use under a Program Income Plan that has been previously reviewed and accepted. The plan for program income should include a list of eligible projects to create additional housing for low and very-low income persons within a project area.*

Comment: Support for the maximum HOME grant allocation of $400,000 There were two oral comments in support of the maximum HOME allocation of $400,000. Concern was expressed however, that the amount should not go lower than $400,000. Housing projects are considered "big ticket" expenditures. Project costs are high and the amount provided through the grant process should remain substantial enough to warrant the numerous federal regulations that accompany the funding. A lower grant amount with the rationale to give more communities an opportunity to share the funds is better than having 2-3 larger communities consume the majority of the funding.

Response: *The allocation was increased to $500,000 maximum funding for a single grant for the FFY 1995 in expectation that the HOME funding allocation would increase up to approximately $4 million. This did not occur and the HOME program is currently forecasting for FFY 1996 the same level of funding as FFY 1995. It appears after looking at the results of the FFY 1995 competition that $400,000 is a sufficient amount to gap finance the majority of proposals that compete for HOME funds. One of the goals of the HOME program is to make the funds geographically available to as many grantees as possible, lowering the grant ceiling would help distribute funds to one more grantee.*

Comment: Progression of combining HOME & CDBG programs One oral question was asked regarding the recommendation made by the State Housing Task Force in 1994 to consolidate all housing programs operated by the Department of Commerce.

Response: *The Department of Commerce responded to the State Housing Task Force by forming a Housing Division within the Department. This Division includes the Board of Housing and its programs, the Section 8 program and the HOME Investment Partnerships program. The formation of the Division occurred July 1, 1995 and is expected to increase coordination and assist in the development of a cohesive state housing policy to guide the operation of all housing programs in Montana. HUD and Congress have explored the possibility of a direct Block Grant to states for housing related activities, however, at present no determination has been made.*

Comment: Support for CDBG Technical Assistance Grants The Community Development Block Grant program was given a public and formal thank you for the technical assistance given to Human Resources Development Council, District VI, in Lewistown.

Response: *Under federal law, 1% of the annual CDBG allocation, or approximately $100,000 may be used to provide technical assistance to local governments and non-profit program sub-recipients. A maximum funding of up to $10,000 is available with priority given to local governments which have not received CDBG funding in the past. The grants must be used for activities related to the development of subsequent applications for projects to address community housing or public facility needs. Local governments must provide a 50-50 cash match which must be firmly committed by the time CDBG funds are released. Some flexibility is given regarding what qualifies as match documentation.*

Comment: Exception to the Fair Housing Non-Compliance section of the Draft Action Plan in the form of content and word choice Two persons provided written comments that the Fair Housing Section of the AP "showed incredible lack of insight regarding the magnitude of the problem as it exists in our state" and provided an incorrect and misleading impression that illegal housing

discrimination was not a problem in the state. Concern was expressed that ".....the numbers of complaints filed is not an indication of the actual numbers and/or extent of housing discrimination." The word choice "perception" and "suggests" was faulted stating that use of these words "...infer that fair housing non-compliance may or may not be occurring." Also, "The study done for the Analysis of Impediments .....missed the boat by focusing on income, instead of the protected classes..." "Focusing on income detracts from the purpose of the Analysis of Impediments, ignores the magnitude of the problem of illegal housing discrimination in Montana, and fails then, to address this problem in any meaningful way."

Response: *In no way does the Consolidated Plan belittle the scope of the fair housing problem or the individuals and families who have been victims of housing discrimination. The Fair Housing Non-Compliance section of the draft CP refers to the Analysis of Impediments to Fair Housing Choice which reviews the scope of the fair housing problem being experienced across the State. The Analysis includes a summary of the 1991 Montana Advisory Council on Housing Discrimination Report entitled Equal Housing Opportunity in Montana/ A Study of Housing Discrimination, prepared for the Governor and the Human Rights Commission and examines data gathered in a 1993 Montana Housing Survey conducted by the Department of Commerce. The Analysis also suggests avenues for minimizing or eliminating impediments to fair housing choice, where they exist.*

The word choice "perception" was taken directly from the Analysis of Impediments to Fair Housing. MDOC has to be cautious about reaching conclusions on certain issues. Complaints or accusations of discrimination do not necessarily constitute proven actual discrimination. In recognition of this concern, the words "perception" and "suggests" will be removed and substituted with the word "alleged" in the final CP to correspond with the wording used in the 1991 Montana Human Rights Commission Report.

The study done for the Analysis did not focus on income, rather on the protected classes. The data simply showed a strong association between income and discrimination, including the categories of race, marital status, and age. The data analysis included an accurate observation. Low income families who are members of a protected class were more likely to report being discriminated against than families with higher incomes of a protected class.

In the 1993 Housing Survey, 57 of 1,224 households responding reported having experienced unfair housing treatment, nearly 5% of the households surveyed. The Analysis went on to analyze in detail those households that reported unfair housing treatment. Noting a correlation with income, the Analysis noted that out of the 52 respondents who said they had experienced discrimination, "25 or 48% were extremely low or very low income households. The second largest group of those who experienced unfair treatment were in the low income group... obviously, economic discrimination is strongly correlated with fair housing non-compliance."

In analyzing race by income, the Analysis also noted that, "this indicates that of those extremely low income households reporting discriminatory practices, nearly 1 in 5 were Native American, a far cry from the 6% of the population that Native Americans comprise." The Analysis also noted that single people are more likely to encounter unfair treatment in housing than married persons.

A portion of the Fair Housing Non-compliance section has been re-written in cooperation with the Montana Human Rights Commission. All information provided in the CP is based on confirmable analyses, studies, surveys and reports. MDOC welcomes statistically valid documentation regarding fair housing that may be incorporated in a future consolidated planning process.

Comment: Inclusion of Monitoring Programs in the Consolidated Plan One responder wrote that "The Final Plan should clearly state who conducts the monitoring and what actually occurs during the process." "The disclosure of the monitoring program would be especially helpful to organizations and agencies who work on housing discrimination since the vast majority of these entities receive complaints and the HOME and CDBG Programs don't."

Response: *The suggestion that the specific monitoring processes be included in the final CP indicates a lack of understanding as to the purpose and function of the CP. The goal of programs covered under the CP is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons in the production and operation of affordable housing. The CP functions as a federal organized and required planning document which involves a participatory process, an application for federal funds under HUD's formula grant programs, a strategy to be followed in carrying out HUD programs and a yearly action plan. Inclusion of a "monitoring program" goes beyond the requirements and purpose of the CP into actual program compliance. Information regarding program compliance is included in the Administration Manual for both the CDBG and HOME programs and includes information regarding fair housing in the Civil Rights chapter. This information is program specific and provided to successful grantees at the Grantee Workshop, and is available upon request.*

Comment: Presentation of Statistical Information One responder stated that the information provided concerning the Montana Human Rights Commission should be broken down into the categories of general discrimination and housing discrimination instead of "lumped together".

Response: *MDOC did not lump the general discrimination and housing discrimination categories together regarding information provided by the Montana Human Rights Commission. Information provided in the CP was taken directly from page two of the Montana Human Rights Commission FY95 Statistics in Brief under the section entitled BASIS OF ALLEGED DISCRIMINATION - HOUSING CASES ONLY. Additionally, the CP reported the caseload summary of the highest four categories of complaints which involved Familial Status, Race - American Indian, Disability, and Marital status. Failure to understand the comment that "inclusion of this type of information in the Final Plan is imperative, in order to inform the public of the types of discrimination.." is noted because the information already provided in the plan is exactly what the responder insists be included. The difference is that percentages were used rather than simple numbers. Giving percentages provides a greater understanding of what is happening. For instance using the 44% alleged discrimination - housing cases, gives a clearer picture rather than just using the number 67 cases of alleged discrimination in the state in a one year period. The reader does not know if the number 67 was out of a sample of 200 or 200,000.*

Comment: Request to hold additional Consolidated Plan, CDBG and HOME meetings One written comment was received suggesting that four community meetings in a state the size of

Montana is not sufficient to constitute regular contact and working arrangements with community stakeholders.

Response: *The locations picked for meetings in 1995 were strategically selected taking into account driving distance from population centers, geographical position in the state, previous meeting sites, and handicapped accessible locations, among others. Limited travel budgets restrict the number of meetings held throughout the state. In addition, attendance at meetings does not necessarily reflect all contact with the public. Numerous avenues are used to provide information to the public for all programs administered. Initially, a letter was sent to 475 local governments, public agencies, member organizations and citizens throughout Montana encouraging participation in updating the CP. Twenty-three organizations were individually contacted and encouraged to provide information and valid statistics to aid in the update process. Local Government Assistance Division and Housing Division staff met with organizations and individuals to gain input on the CP. Mailings concerning changes in program regulations or activities included information and encouraged participation in updating the CP. Last year the pubic information hearing was held in Helena with minimal attendance. The location was moved this year and held in the evening to allow individuals to attend without taking time from work.*

At the time the draft CP was released to the public in November, 1995 notices were sent to all major newspapers with information where the draft CP was available for review. Letters were sent to 240 interested parties on the CP mailing list providing the same information. The Executive Summary was sent to 1,144 individuals and organizations.

MDOC has been very successful in making information accessible to all of Montanans. It is difficult to warrant several additional meetings when public demands for grant funding exceed the supply on a two to one ratio. Given this positive feedback, MDOC can only summarize that understandable, written material has been successfully conveyed to the public.

Comment: Inaccurate title of fair housing organization and amount of funds received
One written comment was received stating that an organization was mistakenly referred to as the "Concerned Citizen Coalition. It should state the Council for Concerned Citizens. Two comments were received stating that the $1 million dollar enforcement grant received by the Council for Concerned Citizens was incorrect.

Response: *The title of the organization Council for Concerned Citizens will be corrected in the final document as well as the amount of funding Council for Concerned Citizens received in an enforcement grant.*